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Russian trade minister quits amid turmoil

Russia's liberal trade minister, Pyotr Avtin, one of those who launched Russia's economic reforms last January, quit yesterday as turmoil engulfed the government. Radicals and conservatives jockeyed to keep or promote their own ministers in posts responsible for the shaky reform programme. Page 16; Russia's ousted reformer, Page 2

Clinton's teams US president-elect Bill Clinton named Warren Christopher as secretary of state, former navy undersecretary James Woolsey as director of the Central Intelligence Agency, Les Aspin as secretary of defence and Samuel Berger as deputy White House national security adviser.

Palestinians' plea rejected Israel's High Court rejected an appeal seeking the return of 415 Palestinians who were expelled to Lebanon. It said it did not want to get involved. The Israeli government warned its troops were prepared to shoot to prevent the Palestinians' return. Page 3

Electricity de France The state-owned utility is going ahead with new contracts to sell electricity to the UK next year despite claims by British Coal that French power sales cut the potential market for UK-mined coal by 8-7m tonnes a year. Page 10; Resolute rebuffs pit call, Page 4

Hong Kong power station deal Anglo-French engineering group GEC Alsthom and General Electric of the US have won a deal thought to be worth some HK\$2.5bn (\$2.5bn) to supply equipment for a Hong Kong power station. The consortium beat a challenge from Siemens of Germany. Page 10

Minister to quit Britain's foreign office minister for European affairs, who has a key role handling the Maastricht treaty, said he would quit once the accord was ratified. Tristan Garel-Jones, 51, said: "I banker after a change." Page 4

Libya crash kills 157 All 157 people aboard a Libyan Arab Airlines Boeing 727 were killed when it crashed en route from Benghazi to the Libyan capital, Tripoli. The Boeing was said to have collided with a Libyan military jet. Page 2

Survivors fly home Dozens of people who survived Monday's fatal air crash at Faro, southern Portugal, flew home to the Netherlands. Experts investigating the accident said it could have been caused by a freak downdraft of wind as the Martinair DC-10 came in to land.

Germany bans fourth groups A fourth German neo-Nazi militant group, the 140-member Nationalist Offensive, was banned as Germany continued cracking down on anti-foreigner and anti-Semitic violence.

Bush to Somalia Outgoing US president George Bush will visit US forces in Somalia over the new year and see relief operations, the White House said.

Sweden supports Nordbanken Sweden's troubled Nordbanken group is to receive another SKr14bn (\$3bn) in equity and SKr10bn in guarantees from the government as part of moves to give the bank a fresh start. Page 16

Satellite vanishes Optus Communications, Australian owners of a \$140m satellite launched on Monday by China, said it disappeared before reaching orbit and had been given up for lost. Chinese officials would not acknowledge that anything had gone wrong. Page 3

Bomb blast in London Passengers and staff were evacuated from a north London underground station less than half an hour before a small bomb exploded.

Privatisation halted Czechoslovakia's first round of privatisations was halted a success after nearly 95 per cent of available shares were sold. Up for sale were a total of 1,491 companies worth some 300 bn crowns (\$10.7 bn). Hungary plans more flotations. Page 3

Kiss and make up US toymaker Mattel, maker of the popular Barbie doll (left), is dropping legal action against Hasbro after the UK company agreed to make its Barbie doll look less like her US rival. "Hasbro has remodelled the head of Barbie in a way which Mattel and Hasbro have agreed is acceptable," said a spokeswoman issued on behalf of both companies. Page 12

STOCK MARKET INDICES		STERLING	
FT-SE 100	2,842.0 (+34.3)	New York Composite	1,586.5
Yield	4.27	London	1,539 (1,564)
FT-SE Euroshare 100	1,872.82 (+13.71)	DM	2,425 (2,425)
FT-A All-Share	1,388.55 (+1.28)	FF	8.30 (8,305)
Nikkei	17,980.87 (+45.23)	Sfr	2,207.5 (2,212)
New York Composite	1,586.5 (+3.51)	Y	190 (192.25)
Dow Jones Ind Ave	3,368.95 (+1.65)	S Index	79.5 (80.3)
S&P Composite	438.05		
US LUNCHTIME RATES		DOLLAR	
Federal Funds	2 1/8%	New York Composite	1,587
3-mo Treas Bill	3.27%	DM	1,537
Long Bond	10 1/8%	FF	5,415
Yield	7.33%	Sfr	1,427.5
LONDON MONEY		Y	122.85
3-mo interbank	7 1/4% (7 1/4%)	London	1,586.5 (1,586)
Life long gth future: Dec 1993 (Dec 100)	3.27%	DM	2,425 (2,425)
NORTH SEA OIL (Aargus)		FF	8.30 (8,305)
Brent 15-day	\$18.55 (same)	Sfr	2,207.5 (2,212)
WTI	\$18.55 (same)	Y	190 (192.25)
GOLD		S Index	79.5 (80.3)
New York Comex (Dec)	\$332.2 (334.0)		
London	\$332.3 (333.95)	Tokyo close	Y 122.13

Austria	Sch30	Greece	Dr250	Lux	Lfr100	Qatar	QR12.00
Bahrain	Dh120	Hungary	Ft100	Malta	Lm150	S.Arabia	Sr11
Belgium	Bfr100	Ireland	Ir100	Morocco	Md100	Singapore	S\$1.10
Bulgaria	Lv100	India	Rs20	Nepal	Nr100	Spain	Ptas200
Cyprus	Ct100	Indonesia	Rp500	Nigeria	Nn100	Sweden	Skr14
Czech	Kcs100	Israel	Shs100	Norway	Nkr100	Switzerland	Sfr100
Denmark	Dkr100	Italy	Lira100	Oman	Om100	Syria	SyP100.00
Egypt	EgP100	Jordan	Jd100	Philippines	PhP100	Thailand	Bht100
Finland	Fmk100	Korea	Won100	Pakistan	PkR100	Turkey	Lira100
France	Ffr100	Kuwait	Kd100	Poland	Plz100	Ukraine	UAH100
Germany	Dm100	Lebanon	LbL100	Portugal	PtEsc100	UAE	Dh100.00

Changes add weight to diplomatic policy Delors signals birth of tougher EC executive

By Andrew Hill and David Gardner in Brussels

MR Jacques Delors, president of the European Commission, yesterday signalled the birth of a tougher, more outward-looking European Community executive when he announced the duties of his 16 fellow commissioners for the next two years.

The commissioners, who will work in Mr Delors' third Commission, met for the first time yesterday. Having spent the past few weeks jockeying for position - in person and through national governments - they took only 15 minutes to decide which jobs they would inherit when they take office on January 6.

The changes should lend new weight to the EC's diplomatic and trade policy. The Commission's external affairs portfolio - previously the domain of one commissioner, Mr Frans Andriessen - will be split between Mr Andriessen's successor as Dutch commissioner, Mr Hans van den Broek, the Netherlands' foreign minister, and Sir Leon Brittan, the UK's senior commissioner.

Mr Van den Broek will take on responsibility for external political relations, and will lead "enlargement" negotiations with applicants for EC membership - Austria, Sweden, Finland and Norway. Sir Leon, now responsible for competition and financial services, will handle trade relations with the industrialised nations, including the expected conclusion of the Uruguay Round and anti-dumping policy.

Sir Leon said yesterday he believed that he and Mr Van den Broek - who discussed their new responsibilities last week - shared the same liberal and "Atlanticist" approach to external relations, and would work well together.

The new allocation of duties will mean the division of the

Page 2

Delors reshuffles Commission pack

Editorial Comment Page 8

Commission's sprawling external relations department by April. Further and more painful restructuring of the Brussels bureaucracy is likely to follow.

Sir Leon's competition portfolio passes to Mr Karel Van Miert, the Belgian socialist currently in charge of transport and environment policy. Mr Van Miert said earlier this week "there will be changes" in the conduct of EC competition policy, a job which Sir Leon and his predecessor Mr Peter Sutherland built into one of the most powerful in Brussels.

In particular, Mr Van Miert is likely to try to make competition policy more responsive to social and industrial considerations.

The distribution of portfolios reflects the enlargement of the Community's role envisaged in the Maastricht treaty.

For example, Mr Van den Broek, who chaired the Council

of Ministers in the run-up to the Maastricht summit, will be responsible for Commission input to the EC's embryonic foreign and security policy. Mr Padraig Flynn, the new Irish commissioner, will monitor EC justice and immigration policy as well as social policy.

In response to calls for more openness and accountability in EC decision-making, a new portfolio has been created for Mr Joao de Deus Pinheiro, the highly regarded former Portuguese foreign minister. He will liaise with the European Parliament, which will be strengthened if Maastricht is ratified. He will also develop Mr Delors' idea that Brussels should give a regular account of itself to national parliaments and through a more active information policy.

In principle, the new Commission - which includes 10 members of the current executive - will last for two years, assuming the Maastricht treaty is ratified. The appointment of a five-year Commission at the end of 1994 will be timed to run in tandem with a newly elected European Parliament.

All responsibilities for aid to developing countries have been regrouped under the senior Spanish commissioner, Mr Manuel Marin. Spain pressed hard for a higher profile within the Brussels executive and has done particularly well from the reshuffle. Its junior commissioner, Mr Abel Matutes, gets two of the jobs in the previous Commission - energy and transport.

BA global plans hit by collapse of deal with USAir

By Paul Betts in London, George Graham in Washington and Nikki Tait in New York

BRITISH AIRWAYS yesterday suffered a severe setback in its ambitions to become a global airline with the collapse of its proposed \$750m investment in a 44 per cent stake in USAir, the sixth largest US carrier.

Both BA and USAir said they would attempt to forge an alternative deal in the new year after their proposed alliance was blocked by a US-UK government dispute over liberalising air services between the two countries.

BA said it had decided to pull out of the proposed partnership with USAir because of "excessive demands" by the US government to give US carriers greater access to the UK market.

Under pressure from the three largest US carriers - American Airlines, United Airlines and Delta Air Lines - the US had insisted that the UK open up London's Heathrow airport to more US airline services in return for approval of the deal.

The UK government in turn had offered a three-phase process of liberalising air services which would have led to "open skies" only after the US eased its rigid foreign ownership rules in US carriers.

BA said the UK government "quite rightly" had been unwilling to make "unwarranted and unilateral concessions" to the US. Sir Colin Marshall, BA's chief executive, said talks between the two countries had broken down because "the US demanded immediate and unlimited access to the UK market while maintaining high protective barriers

to its own market - which is 40 per cent of air transport worldwide." The UK Department of Transport said talks to liberalise air travel between Britain and the US would continue.

Mr Andrew Card, the US transport secretary, confirmed in Washington yesterday that he would "probably not" have approved the deal. The existence of an open market for US carriers

Airbus clinches \$3.3bn contract Page 3

Letters Page 9

Clipped wings for BA's global strategy Page 11

was a crucial element in any decision on whether to allow foreign investments in US airlines. "BA had this transaction been approved, would have had immediate access to the entire US market. Our carriers would not have had access to the entire UK market," he argued.

USAir also expressed disappointment over the collapse of the deal. Mr Seth Schofield, USAir chief executive, stressed his carrier would "continue to discuss alternative arrangements with BA."

USAir officials declined to speculate on what other avenues the carrier might pursue, although it has talked to Germany's Lufthansa in the past, carrier.

There were varied reactions from two of the big US carriers which had lobbied strenuously against the deal. United said it was "a shame" an opportunity to liberalise UK-US air services had been missed, while Delta claimed the outcome was "a victory for equal and fair competition."

GM's parts suppliers face lost time fines

By John Griffiths in London

COMPONENT suppliers to General Motors' Saturn cars subsidiary in the US face fines at a rate of \$500 for every minute of production lost through defective or mislabelled parts.

The sanction is set out in a letter to all suppliers to the Spring Hill, Tennessee, plant which makes GM's Saturn range.

Signed jointly by Mr Alec Bedrick, vice-president of purchasing and supplier quality, and United Auto Workers coordinator Mr Jerry Childers, it represents one of the starkest examples to date of competitive pressures and GM's determination to regain competitiveness against Japanese rivals.

The confidential letter, a copy of which was sent to the specialist Detroit publication Automotive News, says the fine will be invoked for any production stoppage caused by a missed delivery, under-supply of components or materials, or substandard or mislabelled parts.

The practice of penalising suppliers for production disruptions is not unknown either in North America or Europe. These have tended to be negotiated individually. A more formalised system could set a precedent.

GM last night refused to comment on the letter, declaring that "such matters are confidential between ourselves and our suppliers". It would not say whether penalties have been imposed since the fines regime began on November 1.

The Saturn plant is GM's \$14bn "showcase" venture to demonstrate it can match Japanese rivals on quality and costs.

Toyota alliance, Page 13



British premier John Major (left), with British Defence Chief Sir Richard Vincent in the Croatian town of Split, praised the troops for "performing heroically to make sure the humanitarian aid gets through". In Belgrade, Serbian opposition parties may boycott Serbian and federal parliaments after ultranationalists appeared to have won a majority in Sunday's general election. Refugees in a foreign land, Page 10

D-Mark strength eases after Schlesinger remarks

By James Blitz, Economics Staff, in London

MR HELMUT Schlesinger, the Bundesbank president, yesterday helped to ease the recent strength of the D-Mark on foreign exchanges by saying that long-term German interest rates could drop to below 6 per cent in the current cycle of falling rates.

In an interview published in the Westdeutsche Allgemeine Zeitung, Mr Schlesinger did not specify when long-term interest rates - currently at around 7.25 per cent - would come down. However, analysts said yesterday that long-term rates in Germany could only fall when the market believed that prospects for reducing inflation were improving.

Mr Schlesinger's remarks were interpreted as unusually optimistic

from the Bundesbank president, who also said he was confident Germany's inflation rate could fall to about 3 per cent next year from an average of about 4 per cent in 1992.

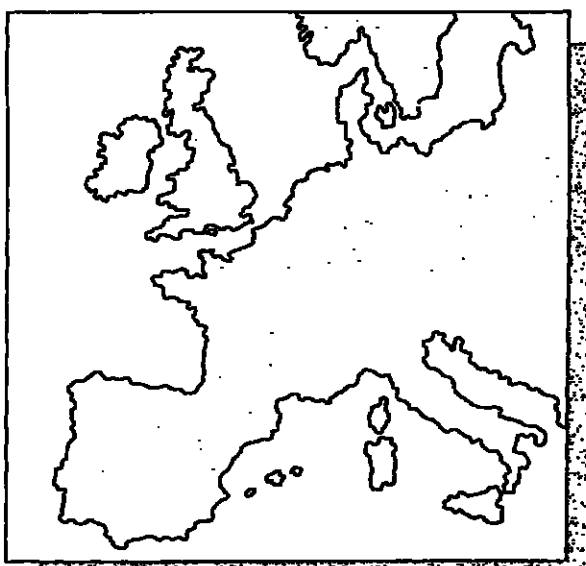
Dealers actively bought dollars in the wake of his remarks, and the US currency rose by more than 1 1/2 pennings against the D-Mark, to close at DM1.5665.

The interview also helped to boost sentiment in the UK equity market. The FT-SE 100 index of leading shares rose from Monday's all-time closing high to a new peak of 2,845.6 points, before ending at a new closing high of 2,842.0, a gain of 34.3 points on the day. The remarks also eased pressure on the French franc, after several days in which it had threatened to fall close to its floor against the D-Mark in the

European exchange rate mechanism. The franc closed at FFfr3.4110 against the D-Mark, up more than half a centime on the day.

Although the D-Mark was weaker against most currencies yesterday, sterling was a significant loser. The pound fell 1 penny to close at DM2.4425 and lost more than 2 1/2 cents against the stronger dollar, closing at \$1.5390 from a previous close of \$1.5645. Wall Street stocks firmed after economic data indicated that the US economy had expanded in the third quarter of this year. At around lunchtime in New York yesterday, the Dow Jones index was down 5.40 points at 3,307.06.

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All of these securities having been sold, the announcement appears as a matter of record only

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NEWS: INTERNATIONAL

Instability continues as Collor hangs on

By Christina Lamb in Brasília

SEASONAL cheer was notably absent among Brazilians yesterday, faced with the unwelcome prospect of continued instability as a result of Monday night's play by suspended President Fernando Collor to delay his impeachment by sacking his lawyers.

Brazilians had expected that by Christmas Mr Collor would have been definitively stripped of power, enabling Mr Itamar Franco, the acting president, to formally take office and start giving some much-needed direction to the economy. A long-talked about fiscal reform was due to have been approved by the Congress so that next year the government could make some attempt at balancing its budget.

However, the delay in the impeachment trial until December 29 or later means the politicians will continue to be distracted from fiscal reform which now cannot be voted till next year. Mr Fran-

co's speech setting out economic policy scheduled for today has been delayed until after the judgment.

Although there is little doubt that Mr Collor will be ousted eventually, Mr Pedro Simon, the Senate leader of the acting government, explains: "As an acting president Itamar cannot announce definitive plans because he doesn't know if he will be confirmed president."

As a result of the uncertainty, monthly inflation is now pushing 27 per cent and the black market dollar premium has reached 55 per cent. The fear is that Mr Collor will try another manoeuvre to win more time in the hope that Mr Franco's perceived incompetence and nationalist rhetoric will inspire senators to wish for the return of Mr Collor. Mr Odacir Soares, one of Mr Collor's few supporters in the Senate, says: "Many senators are now looking at Collor with more sympathy and we believe this tendency is increasing." One aide said Mr

Collor might appeal to the international court of human rights alleging that he was not being given a fair trial.

Mr Sidney Sanchez, the head of the Supreme Court, who will preside over Mr Collor's judgment, appears determined to prevent further delays beyond December 29 and yesterday appointed Mr Innocencia Martires Coelho, a former attorney general, to handle Mr Collor's defence. But Mr Mauro Benevides, president of the Senate, admitted "it will be very difficult to get a quorum during the holiday period."

In one positive development the Senate approved on Monday night the text of an agreement with foreign creditors over \$44bn commercial debt. The majority was 42 to 2.

The termsheet, which was agreed in July, will now return to the advisory committee of creditor banks for final review and selection of instruments, and Brazil will increase its interest payments from 30 per cent to 50 per cent.

Gatt agreement waits for Clinton

David Dodwell on work still to be done on the Uruguay Round

TAKE with a pinch of salt whatever President George Bush and Mr John Major said in Washington at the weekend about finishing within the first two weeks of January the six-year Uruguay Round of talks aimed at reducing barriers to international trade.

There was a stronger sense of realism in Geneva when the statement was released. Most European Community negotiators had returned to Brussels, the head of the US mission had taken his son to the circus, and Mr Balkrishnan Zutshi, India's respected ambassador to the General Agreement on Tariffs and Trade, commented: "It's not possible for President Bush to conclude this. We have to wait and see what the Clinton administration proposes."

The most patient response to the Washington initiative came from a senior EC official: "It was an honest attempt to achieve a conclusion. If it were just up to the US and the EC, then it might just be possible. But Bush and Major have wholly underestimated the resistance of the multilateral

system, which calls for backing from another 106 countries."

Even Mr Arthur Dunkel, director general of Gatt, under whose wing the Uruguay Round negotiations have progressed, complained of the critical time lost since the US and the EC settled their long-standing dispute over reform of farm trade in Washington early in December. "There is still a tremendous amount of technical work to be done," he said this week.

The Bush and Major statement had its roots in the tokenism that Group of Seven leaders have so often shown over the past three years.

Note the G7 summit resolution of Houston in 1990. It said: "We stress our determination to take the difficult decisions necessary to achieve far-reaching, substantial results in all areas of the Uruguay Round by the end of this year... We intend to maintain a high level of personal involvement and to exercise the political leadership necessary to ensure the successful outcome of these negotiations."

However, one senior US

trade official in Geneva commented: "I don't see what changes in circumstances are possible between now and the new year to make a settlement possible."

There have been three weeks of intensive activity in Geneva as countries involved in the Uruguay Round negotiated an array of tariff cuts, concessions to open up trade in services, and new protection for patents and copyright.

But amid all of this technical work, disagreements have emerged which can doubtless be resolved, but which will take time and the sort of political commitment that leaders such as Mr Bush can no longer provide.

The most critical of these are: ● US calls for amendment of the proposed anti-dumping rules, essentially giving the US more flexible recourse to bilateral sanctions if multilateral dumping rules fail to deliver "fair" trade.

● A US challenge to the Multilateral Trade Organisation (WTO), the umbrella organisation that would supersede the

Gatt, and would embrace the new areas of trade subject to international rules. The US administration is concerned the WTO would compromise important sovereign powers.

● EC demands that any agreement on trade in audio-visual services should exempt "cultural programmes" from unfettered international competition. Other services are sensitive, including financial services (where concessions are being demanded from Japan, South Korea, and the six Asian countries in south-east Asia) and maritime services (where the US is dragging its heels).

● Developing countries are unhappy about the speed at which markets are to be opened up to free trade in textiles (too slowly), and are to provide patent protection in drugs and agricultural chemicals (too quickly).

● Tariff cuts remain contentious, with the US pressing for a number of sectors to have tariffs cut to zero, and the EC preferring to tackle sectors where tariffs are particularly high.

German power challenge dropped

By Quentin Peel in Bonn

OVER 160 local authorities in east Germany yesterday agreed to drop a constitutional challenge to the virtual monopoly of the main west German utilities on generation and supply of electricity in the former communist state.

An out-of-court settlement between the two sides means that the utilities, headed by RWE, PreussenElektra and Bayernwerk, will be guaranteed 70 per cent of the electricity market in east Germany for the next 20 years. The local authorities have agreed to generate from their own power stations no more than 30 per cent of the total requirement.

In return, the suppliers have agreed to protect jobs in the east German brown-coal industry, which still employs some 80,000, and embark on new investments valued at up to DM30bn (£12.5bn).

The local authorities will be allowed to choose whether to take over full ownership and control of electricity and district heating supply and distribution facilities on their territory, or cede the right in exchange for up to 49 per cent of the shares in their regional electricity supply organisation.

The deal could fall foul of EC competition rules. It is likely to mean foreign electricity suppliers will be effectively excluded from access to the east German market for the next 20 years, industry analysts say.

Foreign suppliers have shown an interest in the east German market, including Electricité de France, Britain's PowerGen, National Power, and Scottish Power. The German utilities have been attacked by German industry as among Europe's most costly power suppliers.

Growth in money supply declines

By Christopher Parkes in Frankfurt

THE growth rate in Germany's money supply fell in November for the first time this year, but was still running far ahead of target. Provisional Bundesbank figures yesterday showed expansion in the broad M3 measure dropped to an annualised 9.3 per cent last month.

Though an improvement on October's 10.3 per cent, it was well above the 5.5 per cent recorded in August (the last "normal" month) and almost 4 percentage points above the bank's top target range for 1992 of 5.5 per cent. Figures for September (up 9.3 per cent) and October were distorted by the effects of central bank intervention in the recent currency crisis.

Yesterday's figures showed high interest rates have yet to dampen demand for money. Private-sector loans continued to expand, and the volume of cash in circulation rose because of seasonal factors, the bank said. The fall had been widely forecast, and further decreases in coming months are expected as recession takes hold. Sharp cuts in industrial capital investment plans for 1993 are likely to affect the M3 measure as 1993 advances.

Some economists believe monetary expansion could fall within the Bundesbank's 1993 target range of 4.5-6.5 per cent early next year. Money supply control is a main aim in its search for monetary stability and cutting inflation; prerequisites for interest rate cuts.

Swiss expect record SFr3bn budget deficit

By Ian Rodger in Zurich

THE rapidly deteriorating state of Swiss public finances was emphasised yesterday with the publication of a forecast by the federal Finance Ministry of a record budget deficit this year of SFr3bn (£3bn), 50 per cent above last year's deficit and more than double the original forecast.

The governments of most Swiss cantons and the larger local authorities have also plunged into deep deficits in the past two years because of the impact of the recession on revenues and spending as well as higher borrowing costs.

By international standards Swiss public finances are still strong. Outstanding debt of all three levels of government is about 35 per cent of gross domestic product and their combined budget deficits are equivalent to only 2 per cent of GDP.

However, economists have been expressing growing concern about the tendency of governments at all levels to

take on more spending responsibilities even though the Swiss people, who have the final word on tax changes via plebiscites, have tended to reject proposals for higher taxes.

The Finance Ministry said that federal spending would grow more than 7 per cent this year to about SFr38bn, mainly because of higher outlays by various ministries.

Meanwhile, revenues were growing at only about 4 per cent, and were expected to end up to SFr18bn below the SFr31.9bn budget.

The higher budget deficit together with increased financing needs of the unemployment insurance fund has forced federal government borrowing to rise threefold this year to SFr9bn.

The ministry said last week it was projecting a higher than previously forecast 1993 deficit of around SFr3bn. Mr Otto Stich, the finance minister, estimated in October that the 1993 deficit would decline to SFr2.47bn.

No regrets, says ousted Russian reformer

By Leyla Boulton and John Lloyd in Moscow

THE man President Boris Yeltsin called "the cleverest Russian prime minister in decades" was yesterday viewing his removal from "worst job any man could want" with equanimity and good humour.

Although he never expected to stay in the job as long as he did, Mr Yegor Gaidar wishes he could have remained longer. The man who headed Russia's drive to reform its economy on market lines believes this would have allowed him to safeguard the mass privatisation campaign.

In his first full interview since being rejected by the Congress of People's Deputies and abandoned by President Yeltsin last week, Mr Gaidar said the privatisation programme was at a crucial stage. "It is very, very easy to destroy it... through just a few careless movements."

Speaking in his new office as head of the Institute for Economic Problems in the Transitional Period, he admitted that his repeated attempts at finan-



Mr Chernomyrdin, Russian prime minister, presents a draft law on government appointments in a speech in Moscow yesterday

cial stabilisation had amounted to improvisation.

But he had little time for the sort of pro-inflationary policy likely to be embraced by his successor, Mr Viktor Chernomyrdin, saying it would prob-

ably make co-operation with the International Monetary Fund "difficult for some time".

Unlike his foreign advisers, he refused to attack the west for not providing more support for his reforms - "I never

expected anyone to solve our own internal problems" - even though he admitted he had used western promises of assistance as a political weapon to defend his reforms.

Mr Gaidar said he had no political ambitions but life "was very long".

And among his bank of telephones is a direct line on which President Yeltsin, whose adviser he remains, can contact him at any time.

Brittan begins to clear his in-tray

By Andrew Hill in Brussels

SIR LEON BRITTAN, outgoing EC competition commissioner, is to propose today a series of decisions to follow commissioners in a drive to clear his desk before he takes on new responsibilities in January.

Sir Leon is due to take over the post of external trade commissioner from January 6, handing over competition policy to Mr Karel Van Miert, the Belgian socialist.

At a meeting today the Com-

mission will be asked to impose heavy fines on an EC-West Africa shipping cartel, approve guidelines for allowing national courts to examine competition cases, and authorise exclusive supply/sales agreements between the German coal industry and electricity generators.

Sir Leon began to clear his in-tray yesterday by condemning Ford New Holland, the tractor manufacturer, for allegedly bullying its dealers and trying to restrict the "par-

allel" import and export of vehicles to other national markets. Ford has been told to end such restrictions immediately.

He also announced the Commission would look into telecommunications groups' charges for rental and servicing of data-switching networks to see if they discriminated against third parties renting lines.

Proposals on the table today include: ● Clarification of national courts' rights to investigate alleged cartels and the abuse

of companies' dominant positions;

● Fines on EC shipping companies for operating a cartel between Europe and West Africa, following up an earlier decision to impose fines on an alleged shipping cartel between France and Africa;

● Setting a new ceiling on state aid to shipbuilders;

● Approval of Germany's "Jahrbuchvertrag", under which German electricity suppliers must buy a set amount of subsidised local coal.

Amato rules out early return to ERM

Italy cuts discount rate again

THE Bank of Italy yesterday announced a cut of one percentage point in the discount rate, from 13 per cent to 12 per cent, writes Robert Graham in Rome. It is the third reduction since the rate was raised to 15 per cent to protect the lira in September.

The new rate, effective from today, is now back to that of December 23 last year. The Bank of Italy has been under pressure to cut interest

rates to force the banks to lower lending rates to industry, increasingly hard hit by recession and high debts.

With growth projected optimistically in 1993 at 0.8 per cent, industry fears 1993 will be the bleakest year for more than a decade.

The three cuts in the discount rate would have been impossible if the lira had not been in free float since its devaluation and withdrawal

from the European exchange rate mechanism in September. Yesterday Mr Giuliano Amato, the prime minister, ruled out a return of the lira to the ERM early in 1993.

He said it was unrealistic to expect the lira to re-enter the ERM while currency markets remained unstable. Although no timetable was fixed, officials had initially indicated a return to the ERM would be possible by year's end.

Delors reshuffles the European Commission pack

David Gardner and Andrew Hill examine the prospects for success of the Community's new team at the top in Brussels

THERE WAS no blood detectable on the carpet of Brussels' Egmont Palace yesterday morning after Mr Jacques Delors, president of the European Commission, shuffled the portfolios and gave his 16 fellow commissioners their jobs for the next two years.

Prior expectations inside the Eurocracy of histrionics and tantrums were misplaced. A mere ceremonial 15 minutes did the job because by last weekend the hard bargaining had been completed.

What has emerged is a reasonably balanced Commission, with a strong foreign and trade policy team, a marginally higher political profile, a pragmatic approach to competition and industrial policy, tight budgetary control, and little sign of priority being assigned to areas such as environment and social policy, which the previous executive had high hopes of developing.

Mr Delors, of course, remains the *primus inter pares* of the 17-member college. But now he is flanked by four or five political heavyweights, against two or three at most in the outgoing Commission.

The heaviest hitters will be Mr Hans van den Broek, until this week the Dutch foreign minister, and Sir Leon Brittan,

until now in charge of competition policy and a former British cabinet minister under Mrs Thatcher.

They divide between them the job that overwhelmed Mr Frans Andriessen, the departing Dutch external affairs commissioner.

Mr Van den Broek, a Christian Democrat who chaired the council of ministers in the run-up to Maastricht and handled the early stages of the Yugoslav crisis, has two more big challenges. He will both develop the Commission's contribution to the EC's emerging common foreign and security policy, and be in charge of enlargement, opening negotiations next year on EC entry with Austria, Sweden, Finland, and probably Norway.

Sir Leon, one of the most powerful members of the last Commission, will be in charge of trade policy, and economic relations with the industrialised world, China, east and central Europe, and the former Soviet Union.

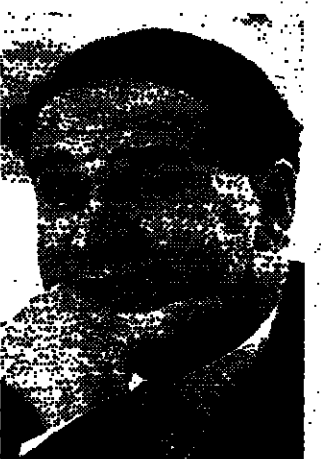
He had wanted charge of enlargement too. But the federalist majority of the 12 sceptical of the UK's attempts to "widen" the EC at the expense of "deepening" it - felt more comfortable with the integration of Mr Van den Broek, even though Sir Leon's communau-



Van den Broek: challenges



Van Miert: competition job



Brittan: powerful post

taire credentials are now well-established. Both men, however, are Atlanticist and free-traders, boding well for relations with the US. Senior Brussels officials say they themselves agreed on their share-out last week, and should be able to work in relative harmony.

Mr Manuel Marin, a Spanish socialist, takes full charge of development and humanitarian aid, adding relations with the south Mediterranean, Middle East, Asia and Latin America to his previous responsibilities for the Lomé convention coun-

tries of Africa and the Caribbean.

Conventional wisdom yesterday was that the loser in this share-out was Mr João de Deus Pinheiro, the well-regarded former conservative Portuguese foreign minister. Formally he will be in charge of relations with a strengthened European parliament, and "with member states with regard to openness, communication and information". Mr Pinheiro, however, wanted this job and could bring a high political profile to selling the EC as a more democratic body which is responsive

to its citizens - a sensitive task if the EC is to recover from its current unpopularity.

Competition policy goes to Mr Karel Van Miert, the Belgian socialist who can claim high credit for liberalising EC transport policy, and, after the departure of the flamboyant Mr Carlo Ripa di Meana, for preventing a wholesale rollback of EC environmental policy.

Mr Van Miert is a pragmatic socialist like Mr Delors, with whom he is closely allied. A transfer of the powerful competition portfolio was a top priority for France, which felt

Mr Peter Schmidhuber, a German Christian Democrat, keeps control of the budget, adding the new Cohesion Fund for the poorer member states.

But most of the new "cohesion" money will be managed at the regional policy directorate by Mr Bruce Millan, the former Labour secretary of state for Scotland, who stays in a job he has done with the quiet efficiency of a Scottish accountant.

Social affairs, which the Greek socialist and UK *bête noire* Ms Vasso Papandreu is vacating, goes to Mr Padraig Flynn, a former Fianna Fail Irish justice minister, along with a new job monitoring EC immigration policies.

Mr Flynn achieved notoriety at home for his views against abortion, divorce and on the role of women, and his appointment was greeted with reserve in the Brussels social affairs directorate.

Environment goes to Mr Ioannis Paleokrassas, a conservative former Greek finance minister. A senior official, who will be working with him was sanguine yesterday - but pointed out that last time round his boss had to be revived with brandy on hearing of the appointment of Mr Ripa di Meana - who put environmental policy on the EC map.

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Airbus clinches \$3.3bn Singapore Airlines contract

By Paul Belin,
Aerospace Correspondent

THE European Airbus consortium yesterday clinched a \$3.3bn (£2.2bn) order from Singapore Airlines (SIA) for 20 of its latest A340-300 long-range widebody airliners, ending one of the toughest years in the aircraft maker's 20-year history on a positive note.

After fighting off a strong challenge from Boeing, Airbus said SIA had signed a contract involving firm orders for seven A340-300s and

options for 13 more. The deal included the cost of spares and spare engines, SIA said.

The aircraft will be powered by CFM 56-5C4 engines jointly made by General Electric of the US and Snecma of France.

The announcement coincided with certification of the A340 yesterday by the European Joint Airworthiness Authorities, grouping 18 countries, after an intensive flight test programme. The US airworthiness authorities are expected to certify the aircraft in the next two months.

The SIA contract has partly offset the blow to Airbus earlier this month when Northwest Airlines, its biggest single customer, cancelled firm orders for 74 aircraft, comprising 24 A340s and 50 narrow-body A320s.

SIA says it intends to use its new A340s, which will be delivered between 1996 and 1998, to carry 271 passengers in three classes on long-distance routes such as Singapore-Paris that do not justify the larger Boeing 747-400 jumbo.

The A340 will enter commercial

service for the first time next spring with Lufthansa of Germany and Air France. It has the longest range of any commercial airliner in the world, flying up to 9,000 miles with a full payload on 16- to 17-hour non-stop flights.

The European Airbus consortium, whose partners are British Aerospace (20 per cent), Aerospaciale de France (37.9 per cent), Deutsche Aerospace (37.9 per cent) and Casa of Spain (4.2 per cent), reached a preliminary agreement with SIA for the A340 order in August 1991.

SIA had originally planned to buy McDonnell Douglas MD-11 three-engine airliners, but decided to switch to Airbus because it said the MD-11 did not meet its range and payload requirements.

However, SIA delayed completing the deal with Airbus partly because of concerns about the Airbus long-distance capabilities. This encouraged Boeing to bid for the SIA deal with its new 777 twin-engine widebody airliner.

But after some adjustments to the aerodynamics of the A340, Airbus

appears to have satisfied SIA's range and payload requirements.

The European consortium is now stepping up its challenge to Boeing's dominance of the large long-distance airliner market with the four-engine A340 and its sister aircraft, the twin-engine A330.

The SIA deal was regarded as particularly important because the airline is one of the world's most profitable, and is based in one of the few markets which has continued to show sustained growth during the air transport industry recession.

Air crash in Libya leaves 157 dead

A LIBYAN Boeing 727 crashed yesterday, killing all 157 people aboard, official sources said. Reuter reports from Tunis. An official at Tripoli airport said the aircraft was on a domestic flight to Tripoli from the eastern city of Benghazi.

Libyan Arab Airlines flight 1103 crashed at 10.07am local time, the official news agency Jana said.

Foreigners were among the dead, the agency added. Neither Jana nor the airport official could say how many.

Troops move on two Somali towns

About 1,000 US Marines and French troops rolled out to secure two more towns in Somalia's starving interior for Christmas Day. Reuter reports from Mogadishu. At the same time the US Task Force command in Somalia said fewer American troops would be required in Operation Restore Hope than originally expected.

The Christmas push was confirmed by a US spokesman, who said the American-led multinational force in Somalia would enter Bardere tomorrow, and secure Hoddur at first light on Christmas Day.

Mr Boutros Boutros Ghali, the United Nations secretary-general, again called on Washington to disarm warlords and gangs in Somalia and said American troops should fan out through the country and not limit themselves to the hunger zones.

Opposition backs Kenya poll charges

Kenya's opposition yesterday stepped up the row over allegations that the government is using state funds for the election campaign of Kumu, the ruling party, writes Michael Holman in Nairobi.

The charge has been denied, but FORD Kenya, one of the country's three main opposition parties, returned to the attack, challenging the government to publish a breakdown of central bank lending.

The party has accused the central bank of excessive lending to five banks with government connections, which in turn allegedly on-lent to organisations or individuals sympathetic to Kumu.

Bush and Yeltsin discuss N-pact

Presidents George Bush and Boris Yeltsin held their second telephone conversation in two days on Monday to try to nail down a treaty making deep cuts in strategic nuclear weapons, US officials sources said yesterday. Reuter reports from Washington.

"It's getting there. It's not a done deal yet but it's getting there," one official said of prospects for agreement on a new strategic arms reduction treaty (Start-2) before Mr Bush leaves office on January 20.

Mr Yeltsin surprised Washington last week when he said a Start-2 agreement was in hand and would be signed before Mr Bush hands over power to President-elect Bill Clinton.

Murder verdict in US-Mexico drug case

The brother-in-law of former Mexican president Luis Echeverria has been found guilty of conspiring to murder Mr Enrique Camarena, an official of the US Drug Enforcement Agency (DEA), in a case that led to a sharp dispute between Mexico and the US, Damian Fraser writes from Mexico City.

Mr Ruben Zuno Acre was tried with the Mexican doctor Mr Humberto Alvarez Machain, who had been kidnapped by agents working for the DEA in 1990 to face charges in the US. The case against Dr Alvarez Machain was dismissed by the judge last week. The kidnapping of Mr Alvarez Machain and subsequent trial infuriated the Mexican government.

Collor defence

The head of the impeachment proceedings against Brazil's suspended president Fernando Collor de Mello named a former attorney general yesterday to defend him after Mr Collor forced a week's delay in his Senate trial. Reuter reports from Brazil. Supreme Court President Sydney Sanches, who is overseeing the impeachment, named Mr Innocencio Martires Coelho as Collor's new defence attorney and put off his trial for a week.

Japanese urge US to become less litigious

By Robert Thomson in Tokyo

A SENIOR advisory body established to redefine the economic relationship between Tokyo and Washington, delivered a final report which urged the US to overhaul its education system, become less litigious, and improve corporate management.

The Council on Japan-US Economic Relations, comprising prominent Japanese academics and executives, also proposed a new economic policy council be set up to supersede the bilateral Structural Impediments Initiative, designed to remove "structural" obstacles to trade.

In the report to Mr Michio Watanabe, foreign minister, the council suggested the two countries study their trading patterns, and Japan "frame a theory" to explain its positive business practices, such as long-term planning and worker management.

The ministry intends to use the document to review its US policy, and will present the recommendations to other ministries, as the council conceded Japanese decision-making lacks transparency and the distribution system needs reform.

Several US deficiencies were described. The council suggested policies be considered to encourage personal savings and capital spending, and improve the patent system, said to offer "excessive" protection and hurt competi-

tion. The council, which includes Mr Akio Morita, Sony chairman, and officials from the Bank of Tokyo, Mitsubishi Corporation and Toyota Motor, gave reasons why Japan has been unable to exercise political influence equal to its economic might.

"For Japan to take the initiative in fulfilling its new role as a responsible international leader, it is vital reform be implemented in the Japanese political and administrative systems. A revolution in people's thought at grass root is required, since leadership in external relations must go hand in hand with leadership in the domestic sector," Japan and other countries feared that in rebuilding its economy, the US might focus "narrowly" on its own interests.

Japanese prosecutors have decided not to lay charges against 60 MPs from the ruling Liberal Democratic party who received shares in an illegal ¥500m (£2.65m) donation from Tokyo Sagawa Kyubin, a scandal-tainted, trucking company, Robert Thomson reports from Tokyo. The prosecutors' decision appears to close the case book on the Tokyo Sagawa scandal, which has already seen the resignation of Mr Shin Kanemaru, the LDP's godfather, and highlighted the links between leading politicians and gangsters.



The foreign ministers of South Korea (left) and Vietnam sign documents yesterday at the government guest house in Hanoi to establish formal diplomatic relations

SOUTH KOREA AND VIETNAM ESTABLISH DIPLOMATIC LINKS

THE establishment of diplomatic relations yesterday between Seoul and Hanoi removes the main obstacle to expanding Korean investment in Vietnam, writes John Burton in Seoul.

Vietnam is the last country with which South Korea has forged ties as part of President Roh Tae-woo's policy to normalise relations with current and former socialist nations.

South Korea had delayed establishing formal relations with Vietnam in deference to US wishes that the issue of missing American

soldiers during the Vietnam war be resolved. More than 310,000 South Korean troops were involved in the war against Hanoi.

Seoul, however, has allowed Korean companies to make limited investments in Vietnam. There are more than 30 Korean concerns with branch offices in Vietnam. Authorised Korean investments totalled \$84.4m (£55.5m), making South Korea Vietnam's seventh-largest foreign investor.

Trade has also expanded from \$77m in 1988 to more than \$440m this year, making Vietnam Korea's third largest trading partner in the former socialist bloc after China and Russia. The trade surplus is heavily in Korea's favour.

Analysts believe that Vietnam will compete against Indonesia and Thailand for Korean investment in south-east Asia in the next few years.

"We prefer to invest in countries, such as Vietnam and Myanmar [Burma] in south-east Asia, where the Japanese are not dominant," explained Mr Bae Soonhoon, president of Daewoo Electronics.

Medium-sized Korean textile and toy producers have so far been among the biggest investors in Vietnam.

Korea's leading industrial groups are awaiting the lifting of US economic sanctions against Vietnam, which will permit international financial institutions such as the World Bank to provide credit for infrastructure projects.

All of Korea's big construction companies are seeking contracts to build or repair roads and port facilities.

Hungary steps up sell-offs

By Nicholas Denton
in Budapest

THE HUNGARIAN government intends to follow up on the success of its latest 20 privatisations with up to 20 more launches next year, a minister announced yesterday.

The privatisation authorities plan in 1993 to float 10 to 20 state companies, including Matav, the national telecommunications utility, said Mr Tamas Szabo, privatisation minister.

The authorities' affection for popular privatisation comes as a political reaction is gaining force against the predominance of foreign investors, which have provided 70 per cent of Hungary's \$157bn (\$101m) privatisation proceeds in the year so far. Nevertheless, Mr Szabo admitted yesterday that few Hungarian companies were suitable candidates for the Budapest stock market.

The other prong of the conservative government's privatisation strategy is therefore to allow the Hungarian public to purchase on easy terms run-of-the-mill companies which cannot be floated.

Mr Szabo said the government had decided to stimulate domestic investor interest in privatisation by opening to the public a low-rate and long-maturity "existence" credit facility.

The new wave of privatisations has gained impetus from the share offering this month of Danubius, a hotel chain, and Pick, Hungary's leading salami producer, and their unexpected success.

The popularity of the Danubius issue in particular showed to the Hungarian authorities that tax preferences, easy payment terms and bonus shares could draw the public to invest in privatisation.

● The first round of Czechoslovakia's ambitious privatisation scheme was a success with nearly 93 per cent of available shares sold, officials said yesterday. Reuter reports from Prague.

Some 21.55m shares (7.2 per cent) remained unsold from the 296.33m offered early in the year when the scheme started with 8.54m people, more than half of Czechoslovakia's population of 15m, participating.

Court rejects appeal to reverse Israeli expulsion of Palestinians

By Hugh Carnegie in
Jerusalem and Michael
Littlejohns in New York

ISRAEL'S High Court last night rejected appeals to force the government to reverse its expulsion of 415 Palestinians to Lebanon as the army again threatened to open fire if the deportees made further attempts to return to Israeli-held territory.

A seven-judge panel ruled against petitions from civil rights lawyers that Israel had a responsibility to take back the alleged Islamic fundamentalist militants because Lebanon had refused to accept them, and because their lives were in danger as they were stranded in no-man's land between Israeli and Lebanese forces.

The decision was not a surprise. But Mrs Hanan Ashrawi, the Palestinian spokeswoman, said it was a further "heavy blow" to Middle East peace

talks which the Palestinians say they will boycott until the deportations are reversed.

Mr Hosni Mubarak, Egyptian president, said he regretted the deportations but said the peace talks should continue.

In New York, Mr Boutros Boutros Ghali, UN secretary-general, said he would send Mr James Jonah, an under-secretary general from Sierra Leone, to Israel for talks and Israel later said it would accept the mission.

The deportees yesterday returned to the makeshift camp they set up soon after they were expelled last Thursday. Lt-Gen Ehud Barak, the army chief of staff, told the High Court they could face warning shots if they tried to return to Israeli lines. Extra Israeli troops were sent to the area and the road to Israeli-occupied areas of south Lebanon was mined and blocked.

Mr Yitzhak Rabin, the prime minister, told a meeting of the Knesset foreign affairs and defence committee that he had authorised the use of live fire, which reporters at the scene said injured at least two of the deportees. "To the best of my knowledge, not one person was hurt," Mr Rabin asserted.

He will today come under pressure from ministers to take balancing measures to offset the damage to Middle East peace talks caused by the deportations row.

Top Labour party figures will hear calls for Mr Rabin to start an unprecedented direct dialogue with the Palestine Liberation Organisation. Mr Rabin is unlikely to sanction talks with officials from the PLO's Tunis headquarters but he might consider talks with Mr Faisal Husseini, the senior PLO-associated figure in the occupied territories who has been barred by Israel from attending the peace talks.

IMF expects decline in world economic growth

By Michael Prowse
in Washington

THE International Monetary Fund yesterday responded to fresh evidence of global economic weakness by sharply revising down its growth projections for next year.

Its latest figures show industrial countries growing at only 2.2 per cent next year, nearly a full percentage point slower than estimates made in September.

Most of the downward revision reflects the IMF's growing pessimism about the outlook for Japan and Europe. Japan is now expected to grow by only 2.4 per cent against a previous projection of 3.8 per cent. EC growth has been revised down to 1.1 per cent from 2.3 per cent.

The biggest single revision was for Germany, which is now expected to grow at 0.6 per cent rather than 2.8 per cent.

The US remains a bright spot with projected growth of 3 per

cent, a reduction of only 0.1 percentage points.

Staff said the revisions reflected a reassessment of the negative impact on private spending of falling asset prices, adverse effects of persistent high real interest rates in Europe and Canada, and uncertainty in European exchange markets.

Australian satellite vanishes

By Daniel Green in London,
Kevin Brown in Sydney and
Yvonne Preston in Beijing

A \$140m (£92.1m) satellite disappeared shortly after it was launched from south-west China on Monday. The loss endangers part of Australia's communications infrastructure and renews doubts over the capabilities of China's fledgling commercial launch industry.

The Chinese Aerospace Ministry said the loss was caused by "a satellite problem, not a launching problem". China was "not responsible for the loss of the satellite". But the Californian builder of the satellite, Hughes Aircraft, said it had not ruled out a fault in the launch.

Inquiries have been set up in China and California which could take several weeks to report conclusive findings. A finding against China could smother its recently successful efforts to win western contracts by offering cut-price launches.

Optus Communications, the Australian telecommunications carrier that owned the satellite, needed it to replace one launched in 1985. It would have provided direct TV broadcasting, mobile and data communications and video conferencing.

Mr Ian Boatman, Optus chief operating officer, said disruption to users would be minimised by re-allocating capacity on existing satellites. But Australian analysts said the loss would reduce Optus' ability to compete in the Australian mobile phone market, and reduce the quality of service available to its broadcasting, defence and civil aviation customers.

The loss could also force the postponement of plans to introduce subscription TV in Australia if the launch of a replacement satellite is delayed more than 18 months. Optus is owned by BellSouth of the US, Cable & Wireless of the UK, and Mayne Nickless, the Australian transport group.

It was licensed to compete with AOTF, the government-owned telecoms carrier, after it bought Aussat, the government's loss-making satellite operator.

Pattern of early appointments displays a determination to follow his own counsel

Clinton shows himself ready to pass over liberal special interests

By Jurek Martin, US Editor,
in Washington

THOSE who thought Bill Clinton would be a pushover for every liberal special interest group in America have been given a sharp reminder that the president-elect is more than capable of following his own counsel in choosing the senior members of his new government.

This was made very clear on Monday afternoon when he sharply attacked women's groups for complaining that his cabinet-to-be was failing to live up to his promise that his government would be "more like America" in its representation of women and ethnic minorities.

Mr Clinton accused his critics of being "bean counters," more interested in "quota and maths games" than in getting the most qualified people in the right jobs. He took particular satisfaction in the fact that his energy secretary-designate, Mrs Hazel O'Leary, the black vice president of a Minnesota-based power utility, appeared on none of the lists of recommendations sent to him by women's and black groups.

He was also incensed that insufficient

credit was being accorded to his selection of two women among his first appointments - Ms Laura Tyson to chair the White House Council of Economic Advisers and Ms Carol Browner to run the Environmental Protection Agency. "They would have been counting those positions against our administration... If I had chosen white men," he said.

Mr Clinton also flatly denied that he had succumbed to pressure from special interest groups in not appointing, as at one time was expected, Mr Tim Wirth, the outgoing Senator from Colorado, to the energy position. Mr Wirth, who issued a dignified statement praising the appointment of Mrs O'Leary and who may yet be in line for a foreign policy post, would be welcome in his government, the president-elect said.

Republicans in the Senate have promised tough confirmation scrutiny of Clinton appointees, in part in revenge for the rejection by Democrats in 1989 of the late Senator John Tower to be President Bush's first secretary of defence. Some vicious and unsubstantiated rumours about Mr Wirth's connections to the cable television and savings and loans industries have been circulating in

Washington. Mr Wirth himself, who had established a substantive legislative record in Washington as congressman and senator for 18 years, was taking a philosophical view of his non-appointment on Monday night. It is possible that the energy department was not his first choice in any event.

A striking aspect of the new Clinton team is the extent to which it mixes Washington experience with outside talent, with many of the latter members enjoying long and close relations with either the president-elect or his wife, Hillary.

This is certainly the case with Mr Richard Riley, the former governor of South Carolina picked to be secretary of education. Mr Riley and Mr Clinton cut their spurs together as southern governors from 1979 onwards. Equally, Ms Donna Shalala, who will run health and human services, has worked closely with Mrs Clinton on such issues as children's rights.



Hazel O'Leary speaking after her nomination on Monday night

Nevertheless, the "more like America" pledge is a petard on which some would like to see Mr Clinton remain hoisted. Of his first 13 appointments, not all of whom have Cabinet rank, five are women, two are

Do you keep your head when all around are losing theirs? Michael Cassell takes a trip to the pantomime

Goose that lays the golden egg

Take a thigh-slapping principal boy who happens to be a girl, a balloon-bouncing matron who turns out to be a man, a stage-trained spunk and a string of sausages and what have you got? — a traditional British pantomime.

The challenge of mounting one of the dozens of panto now showing daily the length and breadth of the country may appear no different from putting on a conventional stage production.

But the seasonal task of whipping up a slapstick mix of old clichés and over-the-top farce would certainly test the organisational skills — not to mention the patience — of any corporate manager.

Given a sales team (cast) usually entirely unknown to each other, a producer (storyline) which changes shape by the hour and an immovable launch deadline (first night), putting on Puss in Boots can be anything but a pantomime.

Not surprisingly, some pantomime producers insist that, to do the job well, the producer requires an extra-special characteristic.

"I call it certifiable lunacy," says Sharon French, a part-time teacher who has organised amateur panto in Birmingham for so long she claims she gave Dan Leno, the famous 19th century dame, his (or was it her?) first break.

"If you can keep your cool, control a mob of budding prima donnas and still please the customers, then I suppose you could run it," she cheerily volunteers.

Amateur or professional, the same panto production hurdles have to be jumped, and everyone has to complete the course simultaneously. "We actually had only half

a horse" one opening night. The caretaker stepped in and didn't put a foot wrong," French recalls.

Impressive logistical skills are required to co-ordinate the roles of performers, technicians and support staff, while the theatrical excesses which threaten to blow a raspberry at the budget have to be curbed.

The roll-call of producers' nightmares has included an outbreak of chicken pox on first night, a high-wire act involving a dangerously heavy Peter Pan and any number of incontinent animal acts.

Although she has no panto this year — "don't blame the recession, it's because too many people are going away on holiday" — French ridicules the idea that panto is as washed up as Widow Twankey.

Its detractors, however, claim that panto is dying on its feet, the victim of three-foot high sophisticated who spurn Basil Brush in favour of Sonic the Hedgehog. Not that pantomime is just for children, with many an adult using youngsters as an alibi for a seat.

Pantomime began to emerge as

an art form in the early 18th century. Serious theatre was then often mixed with mimed scenes and dances played by characters from the Italian tradition of masked comedy, *commedia dell'arte*.

This developed into full-length barlequinades and, finally, into pantomime, offering hours of knock-about fun and weeks of employment for popular music hall artists.

While many of the elements of British pantomime were originally imported from Europe, it has today become an almost exclusively British affair.

No-one knows why it has survived so long, though writers like John Morley — a master of the art with 200 panto scripts under his belt — attribute its appeal to an ever-changing blend of traditional storylines and contemporary characters capable of remaining relevant in an age of television and pop celebrity.

Amateur panto appears to be in rude good health. Audiences can

run into several thousand for the most ambitious productions, which might cost several thousand pounds to put on. Charities are usually the beneficiaries of any profits.

The total absence this Christmas of panto in London's West End is being cited as supporting evidence by those who say its days are numbered. But within booing and hissing distance of theatreland, avid panto fans can find Dick Whittington, Aladdin, Peter Pan, Cinderella and Jack and the Beanstalk.

This season, promoter Paul Elliott reckons that up to 1m children will watch the 20 pantomimes he is staging around the country, like Aladdin at the Birmingham Hippodrome.

Commercial pantomime is no laughing matter. It can offer its stars (nowadays heavily drawn from television and the world of sport) very high pay — maybe thousands of pounds a week — for two shows a day, six days a week. A big show can cost well over £500,000 for an eight-week run, half meeting cast costs and the balance going on other production overheads.



Pantomime is no laughing matter for actors: Trevor Bannister (left), Mother Goose and Dinsdale Landon

But can pantomime continue to survive in a world less readily entertained by awful puns and hammy one-liners? They will certainly have to compete increasingly with a new breed of family shows offering children and adults a more thoughtful evening out.

Clarion Productions, formed by James Woods and Justin Savage and run from their homes in London, has already staged two suc-

cessful West End productions offering a taste of what is to come.

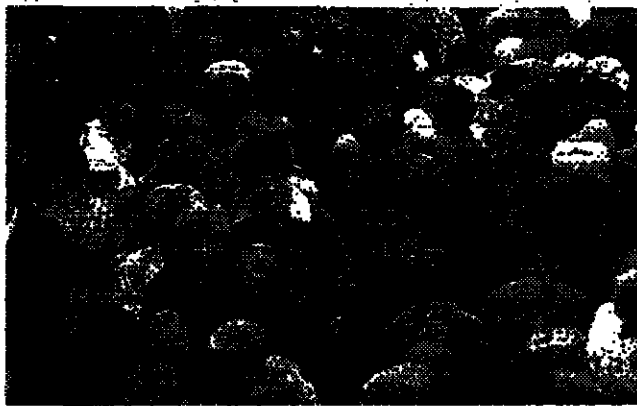
Their current show, "The Witches" at the Duke of York's, attracted big opening advances and has a larger budget than the average West End show. Adapted from a Roald Dahl story, it is imaginative kids' stuff out of the non-panto stable.

David Wood, the producer, believes that traditional pantomime

is no longer in tune with what modern families want. "It is essential that we recognise that children are our most important audience and deserve the best we can give them."

"If we bore, under-estimate or patronise them, we will have only ourselves to blame if, in the future, live theatre withers and dies."

So is pantomime all washed up or not? Altogether now: "Oh yes it is!" — "Oh no it isn't!"



Westerners say their way of doing business is lost on the Russians

To Russia with no love lost

Andrew Jack reports on a gulf of misunderstandings

The recent political upheavals in Russia have added to the uncertainty about the future of western investment in eastern Europe. But ask corporate executives in the west about joint ventures in eastern Europe and they are as bullish as ever. Ask their managers on the ground — let alone their eastern partners — and the view is different.

After several years of experience of east-west joint ventures, many companies have had their expectations dashed, according to a survey from Deloitte Touche Tohmatsu, the international accountancy network.

Western managers in headquarters of companies with joint ventures said they would recommend them. But only two-fifths of their eastern partners and one-third of their own managers based in the east agreed.

Deloitte interviewed more than 168 companies with joint ventures or direct foreign investment in Bulgaria, Czechoslovakia, Hungary, Poland, Romania and Russia.

The key business problems identified in the east were the banking system, telecommunications, fiscal laws and lack of market data.

The most significant staffing problems were management and language skills, followed by the absence of the profit motive, salaries and the work ethic. Eastern partners consistently rated these less important hindrances than western partners.

Western managers complained about their partners' lack of understanding of the western way of doing business and the lack of finance; easterners said the westerners lacked understanding of local conditions and had excessive short-term expectations of profit. Part of the difference may be explained by their varied objectives. Eastern partners said they entered joint ventures mainly to gain access to new products and capital. Westerners rated local market knowledge and access as most important.

Based on its survey, Deloitte highlights four factors to help successful investment in eastern Europe: **PEOPLE:** Select staff who can understand different cultures; who are patient, flexible and tolerant and who know the language. Hire local people with good basic skills and the ability to be trained, not on "relevant experience". **FINANCE:** Expect only long-term returns. Do not depend on local finance. Phase

investment and keep fixed costs low, given the uncertain future of the region.

LOCAL ENVIRONMENT: Identify people who can track legal and regulatory changes, who are familiar with the local public sector and banking system and can find suppliers and sources.

MARKET: Adapt to local demands and cultural differences in brand and product perceptions. The only way to sustain sales may be through export markets.

Some Russian experts recently questioned whether imported management expertise is always relevant to the challenge of restructuring Russian industry, writes Jane Goodair.

Consultants attending a recent conference of the International Organisation Development Association in Coventry agreed that partnerships between Russian and foreign consultancies were the most effective approach in Russia. Delegates also suggested that in future western consultants might take on the new role of "coaching" Russian consultants, rather than dominating consultancy projects.

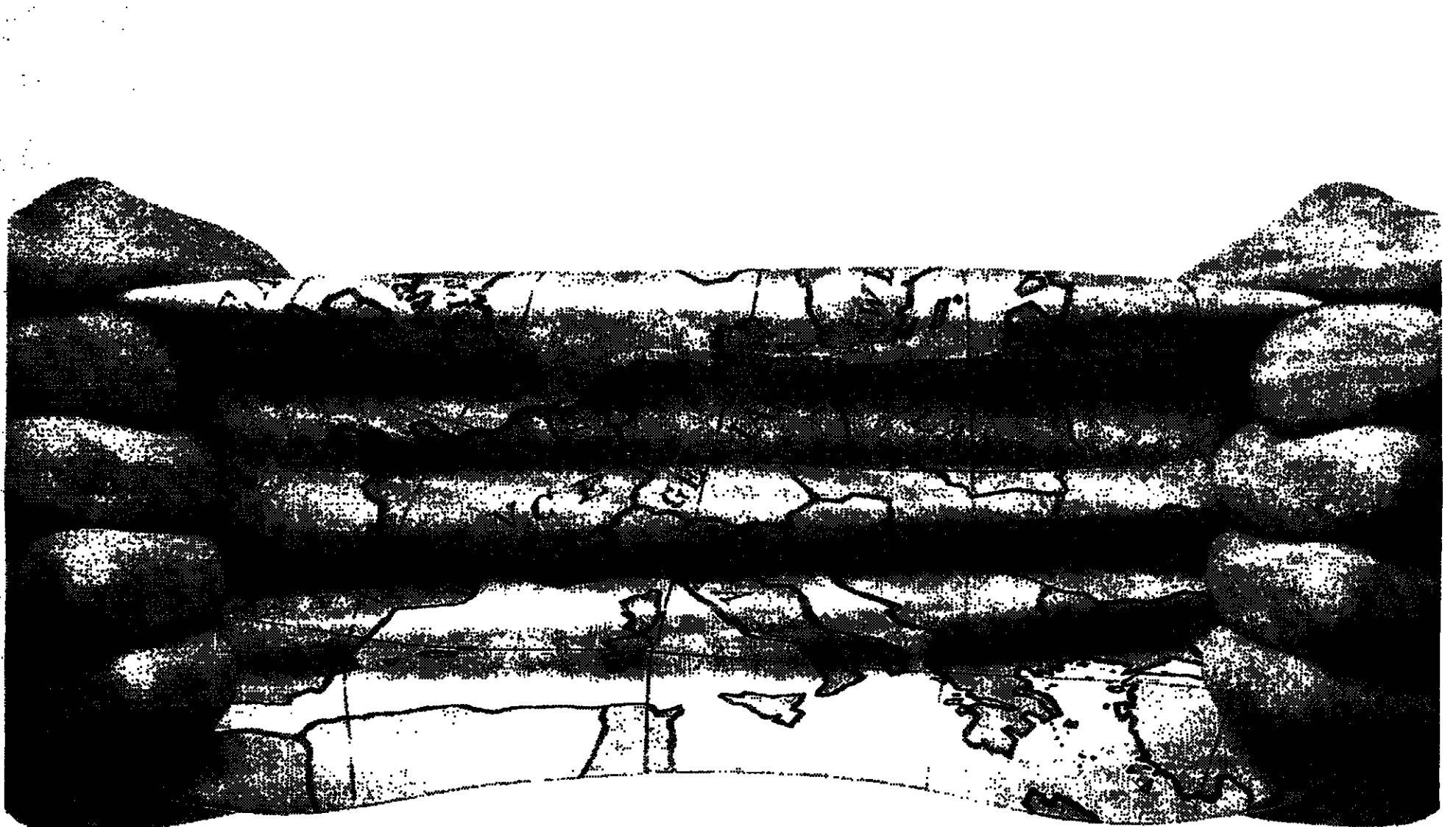
Nikhal Albertian, a Moscow academic and consultant, said Russian clients were showing less deference to western experts. "Russian managers still think that western consultants have much to offer, but they're no longer seen as gods. As human beings, they have failings."

The work of "expert" strategy consultants is still valued and respected, however. And there is great demand for practical solutions to immediate implementation problems. But Russians distrust slogans and respond badly to consultants who work with collective "mission" and "vision" approaches.

Cultural differences between western consultants and their Russian counterparts can hinder partnerships. Reijer van Vegt, a director of the German-based Mercusius Consulting, believes Russian consultants are strong on theory but are often self-promoting and need better practical skills.

A "Business Cultures Bridge" project, co-ordinated by the Academy of National Economy aims to develop partnership work between Russian and western consultants. A workshop is planned in Moscow next summer.

Workshop details from: Academy of National Economy, 82 Vernadsky Avenue, 117571, Moscow.



INFORMATION WITHOUT DEFORMATION.

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and travel reports etc. News bulletins will be updated every half hour. Plus special reports on subjects of major interest to Europeans: from business to fashion and from current affairs to entertainment. So if you like news given to you straight, tune straight in to Euronews.

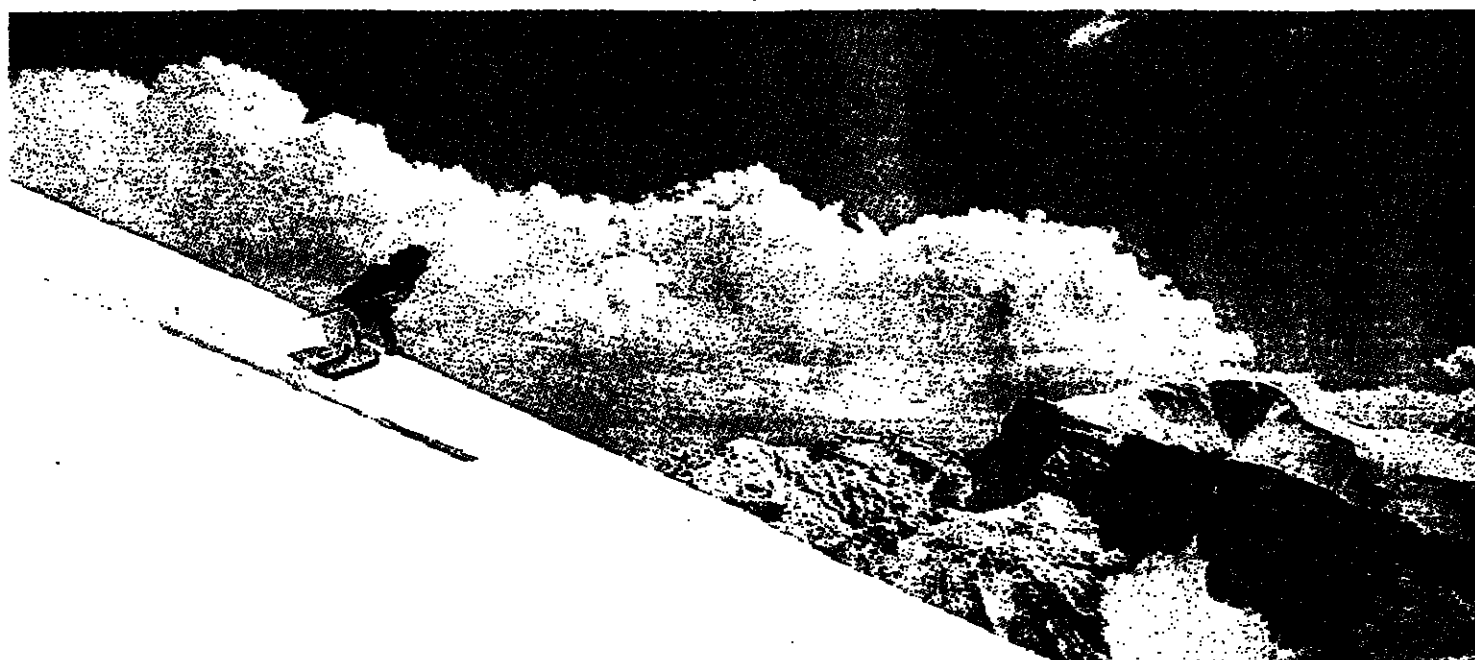
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BUSINESS AND THE ENVIRONMENT

Victoria Griffith examines the row over water use in the US

Skiing's natural balance



Delicate balance: part of skiing's attraction is the scenery but if skiers start to believe the sport is not environmentally friendly, they may stay away

Skiers heading for the slopes this winter are unlikely to be plagued by doubts that they are doing something harmful to the environment. Indeed, fresh air and mountain scenery have always been part of the lure of the sport, which appears comfortably benign to nature.

Yet at mountain resorts all over the US, environmentalists are in a fierce ecological battle with the ski industry over an increasingly precious commodity - snow.

The fight over snow is really a battle for water. Environmentalists say ski resorts are siphoning so much water from mountain streams that the streams may begin to run dry for part of the year. A dry river or stream bed is not only an unpleasant sight, it can also be lethal to fish populations.

"The snow-making issue is turning into the most bitter environmental battle this region has seen in years," says Andrew Hamilton, a lawyer with the Conservation Law Foundation, a Boston-based environmental group which has challenged the ski areas' water rights. In some areas, ecologists say, the water drainage has been devastating, threatening the survival of fragile trout and salmon populations.

In years past, ski resorts relied on Mother Nature to provide them with the snow they needed, and she was kind enough to oblige. So was the world's economy. After the second world war, increasing wealth in the industrialised world turned a once obscure sport into an internationally popular pastime. In the US, the industry enjoyed tremendous growth, becoming a big money-maker in states like Colorado and Vermont. Over the last two decades, though, growth in the ski business

has slowed dramatically, and ski areas are competing for a greater share of a stagnant market.

In the fight for customers, snow-making has become a common way of extending the season, guaranteeing snow from late October through April or even May. Unfortunately, the demand for artificial snow is at its highest in November and December, months when mountain

streams are at their lowest level, and when fish eggs are most in danger of being destroyed if the stream freezes through.

"We are concerned that the stream rates are too low for the survival of the fish, particularly Atlantic salmon, which is a threatened species," says Spencer Conley of the New England Fish and Wildlife Service. In Colorado, which

faced a state-wide water shortage, limits on water withdrawal for snow-making have hit the ski industry hard, nipping in the bud plans for expansion at many resorts.

But the hard times have also unleashed unprecedented creativity in the art of making snow. Some resorts have financed "cloud seeding", an experimental procedure in

which aeroplanes fly through clouds in the hopes of producing precipitation.

To protect the fish population, some ecologists suggest planting trees on river banks for shading, and placing boulders and rocks at strategic points in the water to create pools of water for fish eggs. Others are advocating the recycling of treated sewage water for snow-making.

ing, though the idea may not be well-received by skiers.

The best alternatives are, unfortunately, among the most expensive. One option is to create storage tanks above the ground to collect rain water throughout the year. The problem is that the tanks are not aesthetically pleasing, an issue of great importance for the ski industry. Another possibility is the creation of artificial lakes, which collect water when the snow melts in the spring, and can be used later to make snow. This method is not only feasible, it is also aesthetically attractive.

However, the creation of an artificial lake is prohibitively expensive for any single resort to contemplate. Yet in Colorado, competing resorts have begun to pool resources to try to resolve their problems together. In one case, five ski areas have just agreed to help finance the creation of an artificial lake together with the city government of Denver. In return for their investment, they will each be awarded a certain amount of the collected lake water.

The ski industry is understandably concerned about the anti-snow-making movement. "If our customers see that there is no snow here in November, they may not book into Vermont for their winter ski vacation," says Joseph Parkinson of the Vermont Ski Areas Association.

Even so, environmentalists believe much of the industry is anxious to co-operate. "It's in their best interest to work together with us," believes Lewis Milford, an attorney with the Vermont Conservation Law Foundation. "They are selling to an increasingly environmentally-conscious public. If their customers start to believe that skiing is not environmentally friendly, they may begin to stay away."

these should be used only for problem areas - such as part of an otherwise well covered course where excessive exposure to the sun destroyed the snow cover.

But the trends to warmer winters and, in the late 1980s, to inadequate snowfalls, has made life more difficult for operators, so the government has had to retreat a little.

"We now accept that a few pistes in a region can have full snow-machine coverage," says Thelin. He believes market forces will prevent matters from getting out of hand. It takes about two weeks of constant production to fully cover a slope with artificial snow, and this is fairly expensive for an operator.

Thus, he is likely to be reluctant to do it often or at lower altitudes where the risk of melting is higher.

"Our tourists people think that in the long term some ski resorts will move to other sports," Thelin says.

Pollution verdict worries insurers

US business has won another round in its long running legal battle with insurers over who should meet the cost of cleaning up pollution. The victory, in an Illinois Supreme Court decision earlier this month, has potentially serious implications for insurers at the Lloyd's market, who are heavily exposed to businesses in the state.

The Illinois court decision freed Outboard Marine Corporation, an outboard motor manufacturer, to pursue its insurers for the costs of cleaning up polychlorinated biphenyls (PCBs) dumped into Lake Michigan between the 1950s and the 1970s.

In 1978, Outboard was ordered to clean up the PCBs, which had been present in pydraul, a hydraulic fluid the company had used in die-casting. Insurers - mainly US companies and none of them London-based - had restricted coverage under liability policies to cases where pollution was "sudden and accidental" and resisted claims on the grounds that the pollution had occurred over a long period.

The Illinois court ruled on December 4, however, that the term "sudden" was ambiguous and said coverage was available regardless of how rapidly pollution had occurred if it could be shown that pollution had been "unexpected and unintended".

Nine other US state supreme courts have also ruled on the interpretation of the "sudden and accidental" clause. Verdicts so far have been mixed, with five courts ruling that there is coverage only where the pollution is "sudden" in a temporal sense.

However, lawyers acting for policyholders claim that the Illinois ruling is a crucially important one and could lead to a huge escalation of pollution losses for the market.

Lloyd's underwriters directly in the state (one of two in which it is licensed to do so) and many US companies have their headquarters in the state, which is also one of North America's most polluted, increasing the chances that legal action might take place there. At the very least a series of long-drawn out and hugely expensive - legal battles is on the cards.

Richard Lapper

Switzerland tries to halt the slide

Levelling slopes may encourage erosion, writes Ian Rodger

With up to 700,000 skiers hurtling down Switzerland's slopes on a crisp winter's day, the activities of the piste and chalet set are no longer just plain harmless fun.

Yet now that skiing is no longer a growth industry, the government feels less inhibited about restricting the freedom of skiers and resort operators so as to help protect the fragile environment.

Skiing affects the ecology of Switzerland and its Alpine neighbours in three main ways. Perhaps the most important is through modifications to the landscape by resort operators. These include the clearing of forests to make courses, the levelling of terrain and removal of rocks to permit the use of snow-packing machines, and the creation of gentle pathways for novices.

The construction of hotels, res-

taurants and lift machinery also disrupts the landscape, though modern cable cars, gondolas and chair lifts are less damaging than old drag lifts for which special paths had to be carved.

The second type of impact arises from the increasing use of snow-making machines. These need vast quantities of water and energy and are very noisy.

Finally, beginners who look enviously on accomplished skiers and snowboarders can take some comfort from the fact that these powder hounds terrify wildlife and damage young flora as they swish through the trees. In recent years, several Swiss communities have fenced off

areas to prevent skiers from disturbing animals.

Swiss concern about the impact of skiing on the environment dates from the 1970s when the industry was expanding rapidly. In 1979, the federal government published its first directives on limiting environmental disturbance, mainly to help cantonal governments confronted with development applications.

Since then, the legal framework has been tightened, various studies and policy documents written and correction programmes launched. The unwritten, but widely accepted, basic policy that no entirely new ski areas will be developed also dates from the late

1970s. Only improvements and expansions at existing resorts are allowed, and for these, strict guidelines have been adopted.

For example, because of the delicacy of the high Alpine environment, no levelling of slopes is allowed above 2,000 metres. Also, alterations to the landscape are not allowed where protected species of fauna and flora would be affected.

Gilbert Thelin, the Swiss environment ministry's skiing expert, says these restraints are not as onerous as might be expected. Ski resort operators used to bulldoze gently graded paths into mountains to enable weaker skiers to get down safely. But these paths just encour-

aged weaker skiers to go faster, causing more accidents.

The only real conflicts occur when an operator wants to smooth out a whole slope so that a snow-packing machine can be used. An artificially packed slope will resist melting in the spring, thus lengthening the ski season.

Environmental experts say the grading and removal of rocks reduces the slope's ability to resist erosion. Thelin says the government cannot prevent the removal of every rock, but forbids large scale smoothing.

The government originally took a hostile view of snow-making machines. In principle, it said,

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PEOPLE

Radcliffe steps down from CBI

Mark Radcliffe is stepping down as deputy director general of the CBI, though he is continuing his involvement as an adviser on industrial affairs. At the same time he is taking up two new non-executive positions, the first of which is the chairmanship of construction company McLaughlin & Harvey. The other is to be announced shortly.

In November 1991, Radcliffe, 54, was seconded from TI, where he has been a main board director since 1988, to set up the National Manufacturing Council which aims to promote the cause of British manufacturing to government, business and the City. Presentation of

the NMC's blueprint "Making it in Britain" formed the centrepiece of the CBI national conference in Harrogate.

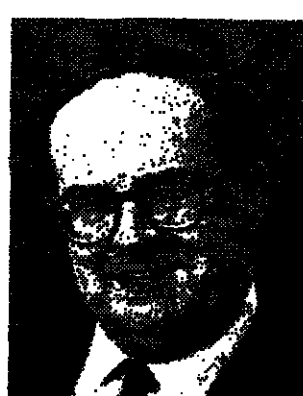
A year ago there was some speculation that Radcliffe might have been a candidate to succeed Sir John Banham as director general, and some CBI watchers have recently expressed surprise that he is stepping back so soon after the birth of the NMC. But Radcliffe now maintains that the deal with TI was, from the outset, for the secondment should last just 12 months. "But it was left open as to how we would go on from there. And now we have decided on the role of adviser," he says.

Radcliffe adds that TI had paid his salary, and he had done some advisory work for the company, but he had relinquished his board seat because of potential conflicts of interest; there were never any plans for him to return to TI. He acknowledges that a year is not long in terms of a task as vast as reviving Britain's manufacturing industry base - "it is a project that won't be completed in my life time" - but claims to be "rather encouraged" by the interest shown by both government and the City.

He is accepting the post at small construction group McLaughlin & Harvey, where the chairman and chief execu-



Charles Denny, retires at 60 at the end of the year, because he believes it is important to "spread your industry". He is also a non-executive director at Lancer Boss and at Partnership Sourcing, a CBI/DTI joint venture.



Pierre Vincken is to be chairman of REED ELSEVIER which comes into being on January 1. It will be managed by a board comprised of 12 executive directors and eight non-executives drawn equally from the two parent companies. Peter Davis (above) is to be chief executive and deputy chairman and will become chairman on Vincken's retirement in 1996. Other members of the executive committee are: Ian Irvine, Loek van Vollenhoven, and Nigel Stapleton.

Richard Wiseman, formerly senior legal adviser for Shell International Petroleum, has been appointed head of legal division and company secretary of SHELL UK Ltd. Gordon Angel, who retired earlier this year as a director of BASF, has been appointed executive chairman of Independent Fertilizers Society, and as a non-executive director of Goudings Chemicals; both companies are part of IAWG GROUP.

Baroness Bragston, who presided over St Paul's Girls' School for 15 years as High Mistress, is joining Great Universal Stores on a part-time basis where she will be responsible for training and personnel.

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Renishaw

David McMurtry, chairman and chief executive of Renishaw, the metrology company he built from his invention of touch-trigger probes, is to resume a more active role in new product development.

McMurtry, who developed probe technology in the early 1970s while developing the engine for Concorde, will also take responsibility for manufacturing technology in addition to his enhanced R&D role. Renishaw has been working on substantially cutting the cost of high precision engineering at its Gloucestershire manufacturing facilities.

Ben Taylor, currently joint managing director, will become assistant chief executive. In particular, he will assume responsibility for worldwide sales and will relieve McMurtry of some of the day-to-day duties of running the company. John Deer, the deputy chairman and other founding partner of Renishaw, has now fully recovered from a heart condition and is to assume greater responsibility for production.

Great Universal Stores

Baroness Bragston, who presided over St Paul's Girls' School for 15 years as High Mistress, is joining Great Universal Stores on a part-time basis where she will be responsible for training and personnel.

Hutchinson, 49, director of warehousing and distribution for GUS Home Shopping, has also been appointed an associate director.

Lady Brigstocke is not becoming a full member of the GUS board, which is headed by Lord Wolfson, the son of the firm's founder, but she will work one or two days a week. She has been advising Burberrys and Kay's - two GUS retailing ventures - on personnel and training for some time.

Telecom Eireann

Ron Bolger, 44, a managing partner in the Stokes, Kennedy, Crowley consultancy firm in Dublin, has been appointed as the new chairman of Telecom Eireann, the Irish state-run telecommunications company.

Bolger will be Telecom's fourth chairman in twelve months. He replaces John Scallan, who held the post on a temporary basis after his predecessor, Brendan Hynds, was sacked last July. Hynds' "hands-on" approach to rationalisation in the company had led to a rupture with the company board.

Hynds' predecessor, Michael Smurfit, who is the chairman of the Jefferson Smith Group, resigned in September 1991 after the then prime minister Charles Haughey asked him to step aside pending the outcome of a public inquiry into a controversial property deal involving Smurfit.

Non-executive directors

Richard Cole-Hamilton, former chief executive of Clydesdale Bank and vice-president of the Scottish Council Development and Industry, at STAKIS.

Geoffrey Whalen, deputy chairman and head of Peugeot Talbot Motor Co, at COVENTRY BUILDING SOCIETY.

Gavin Reed, group vice-chairman at Scottish & Newcastle, at JOHN MENZIES.

Michael Windsor, a non-executive director of BWT since its flotation in 1987, and formerly joint md of Vickers, as chairman at BARRY WEHMLER INTERNATIONAL.

Jim Power has retired from UNICHEM.

Jeon Meynial, recently retired chairman of Arc Union Group, as deputy chairman of LEND LEASE INTERNATIONAL.

Christopher Dreyfus at THE TURKEY TRUST.

Steve Shirley (below), founding director of the IT Group, at TANDEN COMPUTERS has welcomed Anthony James has retired from WELLCOME.

Glitz threatens the News at Ten



Mark Lockyer as Rupert: much of the right daredevil allure but not enough swordfights

Theatre/Alastair Macaulay

Prisoner of Zenda camps it up

Dungeons, swordfights, true love, intrigue and - best of all - a hero who looks so like Prince Rudolph of Britannia that he can impersonate him to all and sundry - yes, *The Prisoner of Zenda* has them all. Anthony Hope's novel is the most glorious trash ever written; you can snicker at Gertrude Heyer but woe betide the smart Alec who thinks himself above *The Prisoner of Zenda* - not to mention the sequel, *Rupert of Hentzau*.

The best that can be said for this Greenwich staging is that it is a tolerable introduction to the joys of Zenda, and is surely excellent seasonal fare for office parties composed of people who have not read the original. And, since I was in a post-works-outing glow myself, I enjoyed myself a fair deal.

Lez Brotherston has designed an ideal set, with crossbridges and staircases and walls that summon up all the various perils of Zenda. Mark Lockyer has much of the right dark daredevil allure for Rupert of Hentzau, and Melanie Jessop is as commanding and glamorous as Antoinette de Maubart should be.

But Hope's novel and the

Ronald Colman movie are both dear to my heart, and I incline to purism in Zenda matters. Matthew Francis's adaptation and staging not only hang fire, but they also encourage both players and audience to chuckle at the contrivances of this Ruritanian romance. The intoxicating story keeps tipping over into camp; and this is hard to forgive.

As the two Rudolphys, David Hag lacks both virile beauty and heroic ardour; and what is *The Prisoner of Zenda* without those? Leonie Mellinger, a talented actress, underplays the nobility and high romance of the Princess Flavia. Nicholas Gecks is too mild for Black Michael (I found myself missing Raymond Massey in this role more than anyone from the 1937 Selznick movie).

The production will undoubtedly improve in due course; injury robbed us of the swashbuckling we had been hoping for. But not only more swordfighting is needed. More seriousness is required too.

At the Greenwich Theatre, until February 6

Anyone who wants to know what might be expected from the new ITV network coming into operation on January 1 should have a look at *News At Ten*. For decades ITV's flagship news programme was regarded, almost universally, as being on a par with the BBC's *News at Ten*. Many people both inside and outside television argued that it was superior. Now, under the Government's new Darwinian rules for commercial television, with fierce competition for peak time slots and the weakest going to the wall, the programme has been transformed. What was once slick but dignified, and serious without being solemn, has been turned into a mixture of sensationalism, glitz and pomposity. Perhaps it will win for the new ITV, an even bigger audience among those who read tabloid newspapers, but in the process it will surely lose many of its more serious viewers.

Over the years it has been argued in this column that, far from differing significantly, the main television news programmes have seemed, to the non professional onlooker, to be virtually indistinguishable. The BBC used to employ as news readers people who were members of Equity, the actors' union. ITV smiled superciliously and boasted that its presenters were not mere "readers" but "newscasters", members of the National Union of Journalists with all the experience necessary to gather the news as well as read it out. But to the average viewer the distinction was irrelevant. Whether or not Richard Baker and Jan Leeming were members of Equity, many people preferred their personalities and their diction to those of some ITV newscasters.

Anyway, whatever the qualifications of the presenters, the two news programmes were remarkably similar. In the items they covered, the approach they took, the significance they apportioned, and the general appearance on screen, there was less difference than between, say, the *Daily Mail* and the *Daily Express*. This always seemed rather odd. After all, television is a mass medium with much of its output - soap operas, game shows, comedies - directed straight at the mass market. Why, then, were all its news programmes pitched somewhere just below the level of the *Daily Telegraph*? More recent developments brought us more broadsheet style coverage in *Newsnight* and *Channel 4 News* but still nothing like the BBC's old *Nationwide* to appeal to the mass market.

Having argued in that manner it would be perverse now to start complaining that *News At Ten* has gone

down market (though it has). That is not the complaint. The trouble is that its overhaul has resulted in so much that is pretentious, superficial and downright silly. The effects of the change were most vividly exemplified one evening during the recent blitz of royal family stories when ITV's court correspondent made the bizarre assertion "Trevor the Queen is now behind me..." It took several moments to deconstruct this.

It seems that *News At Ten* now specialises in the "sandwich", a conventional film report served up to the consumer between a studio intro and a live two-way interview involving an anchorman and reporter. Labelling a report with the caption "Live" is just one of many habits imported from the US. While broadcasters are impressed with their own capacity to "go live" it seems unlikely that viewers care very much, but on *News At Ten* it has become something of an obsession. To have the reporter "live" in the studio is considered pretty dull, so they are obliged to go out with a camera and

stand in front of some symbol of their expertise, even if it is pitch dark (economics specialists favour a brass wall-plate saying "The Treasury"), and then conduct a technologically complicated conversation which they might just as well be having in the warm back at base.

Apparently on this occasion the court correspondent was standing in front of Buckingham Palace and was announcing that the sovereign had returned home. The snag was that having begun her two-way with the mandatory "Trevor" - a usage which is supposed to establish anchorman Trevor McDonald in the public mind as a tremendously amiable godhead, master of all he surveys but still one heck of a feller chatting on first name terms with all those people - she then omitted any indication of a comma and thus invented someone called Trevor the Queen. Thus can pretentiousness trip you up. It seems such a shame that all this razzmatazz should be tacked onto *News At Ten*, of all programmes.

Whatever your feelings about NUJ or Equity presenters, *News At Ten* was for many years a pretty level headed sort of affair which conveyed a sense of being there simply to give you the news straight from the shoulder, no messing. Now it opens with airship shots over London, a romantic overhead view of the ITN building in Clav's Inn Road, and then a swooping Hollywood zoom through the high-tech newsroom, bathed in a blue haze of light, to find the American-modelled lone anchorman heroically holding the floor. You begin to wonder whether they have all watched *Broadcast News* too often and started to believe in their own star quality.

Worse is to come. *News At Ten* has taken techniques from yooz series and graphics from America and created the most mind-bogglingly over-elaborate image to be seen anywhere on British television. On top of a blue background is laid a white grille. Over the white grille an oddly inaccurate map of Europe (have a look at France) in front of the map a whole

stack of monitor screens. On the screens very often a mug-shot of somebody shown almost as big as McDonald, frequently with some sort of symbol or logo, and usually a word or two in capital letters pulled at random from the script - "RELIEF OPERATION" for instance, or "NEW ROUTES" or "GAS SPLIT". These add not one iota to viewer understanding but make the screen look busy and significant. In front of all this sits McDonald himself.

The irony is that often, when a graphic is really needed - to show how the light might have caused the fire in Windsor Castle for instance - ITN's is much better than the BBC's. But then the same goes for the most basic and important part of the content the reports. When direct comparisons can be made, ITN's reports are often better. For example Geoffrey Archer's recent pieces from a dangerous bit of road in Bosnia were consistently clearer and more comprehensive than the BBC's. (Though to be fair the best reporter in Somalia has quite definitely been the BBC's excellent George Alagiah.) But the new *News At Ten* spoils all this by absurd catchphrases and silly bits of linking script. McDonald keeps on saying "Coming next, more of the day's news" as though we might have been expecting some conjuring tricks.

At least they seem, in the past few days, to have decided it is a bad idea to include a big "Focus" item in every edition. Some of these mini current affairs programmes were good, some - such as last week's on "her-rasment" (heavy handed heterosexuality at work) - were merely tired re-runs of features which have already been done to death by national newspapers. None seemed to have much justification in a flagship news programme, so it is good to see the idea being rethought.

However, this move seems to have coincided with greater determination than ever to find sensational stories for the top of the programme. During last Thursday's opening item on what was said repeatedly to be "systematic and organised rape" in Croatia (a horror tale told about French victims in the First World War and Belgians in World War 2) it turned out that ITN could produce not one single woman who would substantiate the story.

Perhaps this will turn out not to be the paradigm for the re-designed ITV. Maybe we shall all be pleasantly surprised at the civilised and sophisticated nature of the new network. Perhaps in 1993 there'll be pink pigs over the white cliffs of Dover.



ITN news anchorman Trevor McDonald: heroic in a much too elaborate set

Opera in Paris/Ronald Crichton

Lully's 'Armide' goes abstract

last year's *Iphigénie en Tauride* at Cardiff.

Caurier and Leiser turned their backs firmly and a little prudently on the sumptuous, enjoyable and illuminating baroque richness of their predecessors' *Armide*. In their programme note they rightly stress the vital role of dancing in the choreographer-composer Lully's theatre works. But it is absurd to deny the equally vital role of spectacle, "machines" included. The sum of his great gifts made Lully a super-entertainer, and "entertainment" on such a level need not exclude serious subjects or deep feelings.

The décors by Christian Fenouillet are based on abstract painted cloths of the kind once popular for "symphonic" ballet. They leave plenty of room for the dancers but the general effect is dusty and dispiriting.

The prospect in the heathen sorceress Armide's magic realm that so enchants the besotted Crusader knight Renaud consists of tall dark grey panels shifted round against a gloomy background - Hades as imagined by a modern Gordon Craig. At the end of the opera, when Armide realises she has lost her lover, a slatted curtain is let down to which she bravely clings and is raised high enough to show her palace in flames behind her. But all we saw of that palace was a single panel painted streakily like fishmonger's marble.

Costumes by Elizabeth Neumüller were vaguely modern from flapperism to New Look skirts, with an emphasis on old-style sports clothes (had someone remembered that the Debussy-Nijinsky tennis ballet *Jeux* was first given in this theatre?). That at least gave some indication of Renaud's physical prowess - there was very little to suggest a Holy War and next to nothing of the Gorgeous Middle East. But then the producers avowedly shun anything "anecdotal" like the plague.

The choreography by Stéphane Aubin was uneventful, unmemorable "modern dance". The dancers' and singers' movement was unusually well integrated. The good-looking dancers of the small Compagnie Larsen, like everyone else in this production, were thoroughly prepared - this co-production with Flemish Opera had already been seen at Antwerp. The singing and playing of the Chapelle Royale (with the Collegium vocale from Ghent) gave continuous pleasure. The expert conductor was Philippe Herreweghe, in live-

lier, more authoritative form than in his recording of the opera a few years back - the fourth act, omitted then, was included this time.

The *Armide*, Sylvie Brunet, is a strong performer who knows how to shape and form Lully's varied, subtle and highly expressive phrases. Above a certain level the voice took on a shrill vibrato inappropriate for such an irresistible seductiveness, and she sometimes sang below the note. She was not helped by nondescript garments. Some but not enough of her words were clear. The best singing and declamation came from the Renaud of that good artist Howard Crook, whose light tenor carried easily in this large theatre. Gilles Ragou and Bernard Deletré as the two paladins sent to bring Renaud back to the path of duty, had

the best of this opera's subdued comic scenes. As Hate, John Hancock appeared as a dyspeptic-looking gent in evening dress, his supporting demons wearing white surplises over black trousers.

At the last of the six performances there was a full house, deeply attentive and enthusiastic except when the production team took their curtain call, when the usual and by now rather stale pandemonium broke out. Although I believe this self-conscious effort to avoid theatrical archaology to be misguided and find the visual appeal unsuitably dreary, this *Armide* was a serious, consistent piece of work, ably carried through. There is more than one way of treating Lully on the modern stage. Next year the admirable series promise *Roland* with José van Dam.

Sponsored by the Mécénat Culturel, the Caisse des dépôts et consignations and the Fondation France Telecom.

INTERNATIONAL ARTS GUIDE

ANTWERP

Stefan Soltesz conducts Nuria Espert's production of *Elektra* at De Vlaamse Opera on Dec 26, 29, Jan 3, 6 and 9. Gabriele Schnaut and Carla Pohl alternate in the title role (233 6655)

ATHENS

Concert Hall On Christmas Day, Zagorsk Church Choir gives a recital of music from the Russian Orthodox tradition. Sat and Sun: Vyron Fiedelja conducts Czech Radio Symphony Orchestra in works by Mahler, Sibelius, Tchaikovsky and Rakhmaninov. Next Tues, Wed: Jinan Acrobatic Troupe, traditional Chinese acrobatics (722 5511)

BARCELONA

Gran Teatre del Liceu 20.00 Uwe Mund conducts Götz Friedrich's production of *Lohengrin* (repeated Dec 27, 30, Jan 2, 5). Alternating casts include Thomas Sunnegardh and Gösta Winbergh

'as Lohengrin, Sue Patchell and Mechthild Gessendorf as Elsa, and Eva Marton and Joy McIntyre as Ortrud (412 3532)

BOLOGNA

Dec 29, 30 in Teatro Comunale: Gary Bertini conducts Mahler's Second Symphony. Jan 1: Igor Oistrakh violin recital (529599)

COLOGNE

Philharmonie 20.00 Ballet gala, repeated tomorrow afternoon and Fri evening. Sat: Georgian Chamber Orchestra plays Bach and Vivaldi. Sun: jazz night. Next Mon, Tues, Wed: chamber music festival, including works by Tchaikovsky, Dvorák, Deniov, Ravel and Rakhmaninov, and featuring Sergei Leiferkus, Kim Kashkashian, Frank Peter Zimmermann and others (2801) Opernhaus 19.30 Thomas Fulton conducts Willy Decker's new production of Billy Budd, with Philip Langridge, Boje Skovhus and Monte Pederson (also next Tues). Fri: Der fliegende Holländer. Sat: Die Zauberflöte. Sun and next Wed: Hansel and Gretel. Dec 31: Die Fledermaus (221 8400)

COPENHAGEN

Flemming Flindt's production of *Nutcracker* can be seen on Sat and next Mon at the Royal Theatre. Dec 29: Don Carlo. Dec 30: ballet gala (3314 1002)

DRESDEN

Tonight and Sat in *Semperoper*: Hansel and Gretel. Fri: Die Zauberflöte. Sun: Der Rosenkavalier. Next Tues, Jan 2 and 5: Evgeny Onegin. Next Wed, Jan 3: ballet triple bill including Henze's Tristan choreographed by John Neumeier. Dec 31, Jan 1: Muhai Tang conducts popular orchestral concert (484 2731). Fri evening and Sat morning in Kulturpalast: Peter Vronsky conducts Dresden Philharmonic Orchestra in works by Corelli, Honegger and Rimsky-Korsakov. Dec 31, Jan 1: Johann Strauss concert (486 6306)

FRANKFURT

Opernhaus Tonight: premiere of Ruth Berghaus' new production of Der Rosenkavalier (also next Mon and Wed). Fri, Sun and next Thurs: Die Fledermaus. Sat: La traviata (236061) Schauspielhaus Tonight, next Mon, Wed and Thurs: new ballet by William Forsythe. Fri: Schnitzler's 1911 play. Undiscovered Country. Sat and Sun: The Merchant of Venice (238081) Alte Oper Broadway musical 42nd Street, daily except tomorrow (1340 400)

GENOA

Teatro Carlo Felice 20.30 Alexander Lazarev conducts Boris Pokrovsky's Bolshoy Opera production of Prince Igor, repeated on Sun. Tomorrow and Sat: Bolshoy Ballet production

of *Giselle*. Dec 4: Carlo Maria Giulini conducts Orchestra of La Scala Milan (589329)

HAMBURG

Staatsoper Tonight and Fri: Die Zauberflöte. Sat, Sun, Dec 31: Neumeier production of *Nutcracker*. Mon: Hansel and Gretel. Tues: ballet mixed bill, including works by Mats Ek and Lar Lubovitch. Next Wed evening and Thurs morning: Heinz Fricke conducts Beethoven's Ninth Symphony (351721) Deutsches Schauspielhaus Performances over the holiday period continue daily except tomorrow, with repertoire including Shaw's Heartbreak House, Miller's Death of a Salesman and a new production of Euripides' The Bacchae. Ute Lemper gives a solo evening on Dec 31 (248713)

LEIPZIG

Opernhaus Tonight: Hansel and Gretel. Fri and next Wed: La bohème. Sat: Coppelia. Sun: Jiri Kout conducts Uwe Wand's new production of Lohengrin, with George Gray and Helena Doese. Next Tues: Werther with David Rendall. Dec 31: My Fair Lady (7168 273) Gewandhaus Tonight: Ekkehard Schreiber conducts seasonal choral music by Corelli, Bach and Petr Eben. Sun morning and evening: Pierre-Dominique Ponnelle conducts MDR Symphony Orchestra in works by Bach, Beethoven and Tchaikovsky. Dec 29, 30, 31: Kurt

Masur conducts Gewandhaus Orchestra in Beethoven's Ninth Symphony (7132 280)

LONDON

MUSIC/DANCE South Bank Centre Ben Stevenson's English National Ballet production of *Nutcracker* daily till Jan 16 except tomorrow, Christmas Day and Sundays. Dec 27: Travelling Opera productions of La bohème and Don Pasquale. Dec 27: Johann Strauss gala (071-928 8800) Barbican Tonight: orchestral favourites. Sat: James Blair conducts RPO in works by Rakhmaninov and Dvorák. Sun: Jack Brymer plays Mozart's Clarinet Concerto. Mon: Glenn Miller Orchestra. Tues: Dennis O'Neill sings opera arias. Next Wed: Tchaikovsky concert. Dec 31: European Community Baroque Orchestra gives afternoon concert at St Giles Cripplegate; Vladimir Ashkenazy conducts ECHO in late evening concert (071-636 8891) Covent Garden Tonight, Sat, Mon, Jan 1, 4: Ashton's Royal Ballet production of *Cinderella*. Next Tues: new Royal Opera production of Handel's Alcina. Dec 30, 31, Jan 2, 5, 6: Ashton's The Dream and Tales of Beatrix Potter (071-240 1066) Coliseum Tonight: David Pountney's ENO production of Hansel and Gretel. Dec 30 and Jan 2: Princess Ida. Dec 31, Jan 5: Adventures of Mr Bruce (071-636 3161) Sadler's Wells London City Ballet repertory till Jan 2 consists of

Romeo and Juliet and a triple bill. No performances Dec 24-27 (071-278 8918)

THEATRE

● Carousell: Nicholas Hytner's production of the Rodgers and Hammerstein musical. No performances tomorrow or Christmas Day (National Theatre 071-928 2252) ● Carmen Jones: Simon Callow's production of Oscar Hammerstein's update of Bizet. No performance tomorrow (071-928 7618) ● The Lion, the Witch and the Wardrobe: adaptation of C S Lewis' Narnia story for a children's Christmas season till Jan 16. Tomorrow's performance is at 14.30, closed Christmas Day (Royalty 071-494 5090) ● The Gifts of the Gorgon: new Peter Shaffer play starring Judi Dench. Tonight, next Mon, Tues, Wed, Jan 8, 9 (Pit 071-638 8891) ● Cyrano de Bergerac: Robert Lindsay stars in John Wells' stage adaptation directed by Elijah Mosinsky. No performance tomorrow (Haymarket 071-930 8800)

LYON

● Milan Bauer directs Orchestre National de Lyon in a programme of Viennese waltzes Dec 27, 29, 30, 31 in Hôtel de Ville (7860 3713) ● Kent Nagano conducts seven performances of Angelin Preljocaj's production of *Romeo and Juliet* at Auditorium Maurice Ravel, opening on Sat. No performance next Mon or New Year's Day (7828 0960)

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN 2000-2030, 2300-2330 World Business Today - a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel 0700-0710, 1230-1240, 2230-2240 FT Business Daily 0710-0730, 1240-1300 (Mon, Thurs) FT Business Weekly - global business report with James Bellin 0710-0730, 1240-1300 (Wed) FT Media Europe 0710-0730, 1240-1300 (Fri) FT Eastern Europe Report 2240-2248 FT Report

Sky News 2030-2100, 2230-2300 FT Business Weekly

SATURDAY

CNN 0900-0930, 1900-1930 World Business This Week - a joint FT/CNN production

Super Channel 0630-0630 FT Business Weekly

Sky News 1130-1200, 1730-1800 FT Media Europe

SUNDAY

CNN 1030-1100, 1800-1830 World Business This Week

Super Channel 1900-1930 FT Business Weekly

Sky News 0130-0200, 0530-0600 FT Media Europe 1230-1400, 2030-2100 FT Business Weekly

FINANCIAL TIMES

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Wednesday December 23 1992

Brussels gets a new team

FOR ALL the problems dogging European integration, the European Commission seems to be attracting a higher profile category of job applicant. On the evidence of the new line-up unveiled yesterday, the Commission has shrugged off its image as a collection of government cast-offs. The fresh team in Brussels, containing two seasoned foreign ministers, from Portugal and the Netherlands, appears well suited to steering the Community through the next two years.

At the helm remains Mr Jacques Delors, whose adept mind will be increasingly turning not only to the future shape of Europe, but also to his possible role as a candidate for the French presidency. The adjustments Mr Delors has produced in Commission portfolios bear the mark of a hand skilled in the art of both compromise and strategic planning. The departure of the UK's Sir Leon Brittan from the competition job - where he has habitually tangled with Paris - will make the Commission's balance somewhat more favourable to French sensitivities.

This is important not just for Mr Delors' prospects. French support for the free competition policies backed by Britain, and endorsed by Sir Leon, is still, at best, tenuous. The quibbles voiced by France over the chances of a Gatt deal may presage further new year squalls between Brussels and Paris - especially if the March elections return a right-wing government. The French will still have to deal with Sir Leon, who takes over Commission responsibility for Gatt in his new external

trade portfolio. But, in general, Mr Delors' decision to opt for a Commission in which French interests appear well served is intelligent as well as being predictable.

The Commission has to give a lead. But it also must follow member governments' overall policies. The rearrangement of portfolios and personalities reflects the rebalancing of Community interests. Agriculture, social affairs and the environment - areas where deals have either already been done, or where economic downturn has made governments less eager for change - are taking a back seat. Mr Karl von Mieth, who takes the competition job, has proved himself a no pushover for the forces of corporatism during his time as transport commissioner. He will however act cautiously in curbing national monopoly powers in fields such as energy and postal services - excluded from the 1993 single market.

The real heavyweight jobs are in foreign affairs. Mr Hans van den Broek, the Dutch foreign minister, and Sir Leon will jointly shoulder the challenges of enlargement talks with the states of the European Free Trade Association. They must also forge a strong relationship with the new US administration to ensure that the community does what it can to prevent chaos in the former Soviet bloc, which may yet prove disruptive in Europe on a wider scale.

Apart from ending the recession, the EC's main priority next year must be to improve the management of its foreign relations. Given a degree of good fortune, the new Commission should be able to play its part in that task.

Drugs pricing

THE pharmaceutical industry and the British government are currently renegotiating the scheme controlling profits on drug sales to the National Health Service. The government's negotiators should drive a tough bargain.

There are arguments in favour of the existing agreement, known as the Pharmaceutical Price Regulation Scheme. As a long-standing piece of industrial policy, the scheme has proved singularly successful.

It has controlled NHS drugs spending while encouraging the British-based pharmaceuticals sector. There are few high-growth technology industries where the UK is among the world's leaders. Pharmaceuticals is one of them. Four of the world's top 10 best-selling patented medicines were discovered and developed in the UK. The industry will contribute a trade surplus of more than £1.3bn to the UK economy this year.

The scheme also has the advantage of simplicity and practicality. By fixing a return on capital and not the prices of individual drugs, administration and bureaucracy is kept to a minimum. The system is widely admired in other countries; at one time, the French government considered copying it.

Such achievements should not be tampered with lightly. But the real argument concerns not the price-setting mechanism, but the prices themselves. The UK, along with the rest of the world, is faced with the inexorable tendency of healthcare costs to grow faster

than the economy as a whole.

During the late 1980s the rapid expansion of UK pharmaceuticals groups' earnings was relatively inconspicuous. During the early 1990s, it looks like an anomaly. Glaxo made 38 per cent return on capital worldwide last year. Smith-Kline Beecham 45 per cent. This remarkably high return was achieved after research and development costs.

At a time of sharply rising budget deficits, expenditure on NHS drugs is growing at 12 per cent a year. Although the increase is partly due to government-inspired health programmes, expenditure growth on this scale jars at a time of public expenditure constraint.

There is thus a strong *prima facie* case for adjusting the price control mechanism applied by the NHS, perhaps by tightening up the return on capital parameters - currently 17 to 20 per cent a year. The industry will argue that lower returns will drive investment and research overseas, as indeed happened in the mid-1980s, when the UK government tried to curb drug expenditure.

This time, though, the impact is likely to be limited. The world is bleaker for the drug companies and in restraining prices and limiting expenditure, the UK government would only be following the example of most other countries. In any case, the UK retains the powerful attraction of a pool of cheap, inventive scientists. The government can afford to bargain hard.

Serbia's vote

THE PROBABLE victory of the hard-line Mr Slobodan Milosevic in the Serbian presidential election must be seen as a severe setback for efforts to find a peaceful solution to the conflict in the former Yugoslavia. Though the latest figures which give Mr Milosevic nearly 66 per cent of the vote, are based on only a partial count of last Sunday's poll, it is most unlikely that his moderate opponent, Mr Milan Panic, with 34 per cent, will be able to close the gap. By Western standards, the conditions under which the elections were held were far from satisfactory. The election broadcasts of the state-owned Serbian TV were heavily biased in favour of Mr Milosevic and the large group of international observers reported numerous irregularities in electoral registration and voting procedures. Yet they do not appear to have been serious enough for Mr Panic's demand that the elections be annulled and another poll held within 90 days to stand much chance of success.

In the circumstances, Mr Panic, a Yugoslav-born American multimillionaire, did well to poll more than a third of the votes. His appeal lay in his promises to end the fighting and Serbia's international isolation. But the unpleasant fact the international community now has to face is that the Serbian people have preferred to be represented by a xenophobic leader determined to promote their national interests by whatever means necessary.

The presidential election results have been made worse by the marked swing to the right in the separate parliamentary poll. The success of the extreme nationalist Radical party at the expense of its allies, the Socialists (ex-communists), is a bad augury for the fate of the ethnic minorities who make up one-third of Serbia's population. The Radical party is led by Mr Vojislav Seselj, whose militia is alleged by the US to have been responsible for the murder of thousands of Muslims in northern Bosnia last spring.

The future Serbian government does not, therefore, look as if it will be prepared to make the required compromises to bring the conflict in Bosnia to a peaceful end. And its ethnic cleansing policies risk igniting conflicts in other potential trouble spots, such as Kosovo, which could spread quickly to other regions in the Balkans through the involvement of countries such as Greece, Turkey, Bulgaria and Albania.

Few options remain for the international community, in the absence of direct military intervention, which has been ruled out by the great majority of nations. However, that position is looking less untenable by the day. Stricter sanctions alone have failed to have the desired effect and it is difficult to see how the proposed cut in all international communications or the enforcement of a "no fly" zone over Bosnia will bring Serbia round.

The pre-Christmas wave of optimism which propelled the UK equity market to another new all-time high of 2842.0 last night (the FT-SE 100 Index is now up 14 per cent this year) is not typical of markets around the world.

In fact, another poor year for the global economy, in which overall growth of the 24 nations in the Organisation for Economic Co-operation and Development is estimated to have been only 1.5 per cent, has formed the backdrop for a generally dreary 12 months for the world's capital markets.

In these conditions fixed interest securities have often outperformed equities, although rapidly expanding government financial deficits have had the effect of subduing the bond markets too. Only some spectacular events in the currency markets have livened up the year and provide the more speculative investors with some handsome returns at limited risk, mainly by courtesy of the European central banks.

As the year draws to a close, hopes for a global recovery look little better. The OECD has just knocked down its 1993 growth forecast from 3.0 to 1.9 per cent. And although some of the countries early into the recession are now showing signs of an upturn, certainly the US and possibly the UK - Germany and Japan may not yet have seen the worst.

Investors are having to grapple with the evidence that this is not just another business cycle but that long-term structural changes are afoot. When leading industrial companies such as IBM are shedding tens of thousands of jobs, while the only rapidly-growing areas of the global economy are in regions such as southern China and parts of Latin America, it is a foolish portfolio manager who continues to extrapolate the long-term charts from the past.

Certainly, shareholders had to dabble in the new US administration to ensure that the community does what it can to prevent chaos in the former Soviet bloc, which may yet prove disruptive in Europe on a wider scale. The best-performing national market in dollar terms has been Malaysia with a gain of 23 per cent. For sterling-based investors the numbers naturally look much better, given the pound's 13 per cent trade-weighted depreciation since last December 31 (and 18 per cent against the dollar). The British investor is showing gains of around 40 per cent in Malaysia, Hong Kong and Mexico, according to the FT-Actuaries World Index series.

Overall, however, the World Index is down 7 per cent this year in dollar terms and is up just 12 per cent for investors who prefer to do their calculations in sterling. The pace is always dictated by the markets in New York and Tokyo, which account for two-thirds of the world index's weightings.

Wall Street has had an amazingly steady year, with a year-on-year improvement of only 4 per cent. Moreover, 1992 has been the least volatile year for the US stock market in living memory, essentially because the recovery in the economy and therefore in corporate earnings was already discounted in 1991. Since then there has been a flood of money into equities from private individuals fleeing low savings deposit rates and buying large quantities of mutual funds. But, on the other hand, there has been a sharp rise in new stock issues and a certain amount of selling by foreigners who generally feel that Wall Street is overpriced. The net result has been stalemated.

But once again a great deal has

1992: better safe than sorry

Equity markets have taken a backseat to fixed interest securities, says Barry Riley

World markets: the returns of recession

FT-Actuaries World Index

% change (\$ terms)

Malaysia	22.32
Hong Kong	21.67
Mexico	19.38
Switzerland	14.04
US	4.92
Netherlands	1.02
France	-4.59
Belgium	-5.90
Singapore	-5.81
UK	-7.03
World	-7.30
Finland	-7.41
New Zealand	-10.79
Sweden	-11.69
Germany	-11.85
Ireland	-15.73
Canada	-16.00
Austria	-17.53
Australia	-19.60
Norway	-20.07
Japan	-20.55
Spain	-23.08
Denmark	-25.58
Italy	-29.31
South Africa	-40.66

Government bond returns

Ten-year bonds (%)

Netherlands	45
Japan	30
Belgium	25
France	20
US	15
Denmark	10
Australia	5
Canada	0
UK	-5
Spain	-10
Italy	-15

Source: NatWest Capital Markets

% changes and returns calculated from Jan 1 to Dec 21 1992

FT-SE 100 Index

% change

HSBC Holdings	92.59
Glaxo	77.50
Shell	68.39
Guardian Royal Exchange	63.98
Bovis Lend Lease	61.50
Carson Comins	61.11
BAT	58.28
Burnish Caspell	54.47
Argyll Group	51.97
Thames	50.46

Top 10

Bottom 10

Wellcome

Redwood

British Steel

ICI

Lastbrook Group

BP

Shell

Glaxo

Argyll

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Sun, surf and Santa

Christmas is coming and the price of prawns is going up, illustrating both the changing nature of the Australian Christmas and the danger of over-exploding fragile fishing grounds.

Apart from the weather, an English visitor of 30 or even 20 years ago would have been hard pressed to spot the difference between Christmas in Sydney and Christmas in Sydney, south London. Inspired by the view held by Sir Robert Menzies, Australia's prime minister from 1949 to 1966, who portrayed his country as the modern-day jewel in the British crown, Australians were still doing everything they could to evade the realities of the un-English climate and geography.

Ignoring summer temperatures of 30 degrees centigrade or more, families ate heavy meals of hot turkey, roast beef and plum pudding, and then watched or listened to the Queen's traditional Christmas day broadcast from London. Presents were piled around imported Christmas trees, holly wreaths were nailed to front doors, and the most enthusiastic attempted to simulate the effect of snow on window panes.

Even in the 1960s, there must have been plenty of Australians of non-British heritage who thought this collective attachment to the "traditional" Christmas a bit strange in a country where December falls in midsummer. But few of that generation of immigrants felt able to resist the pressure from the Anglo-Saxon majority to conform by becoming more Australian, which meant, of course, more British.

Now attitudes are changing, and the style of Christmas celebrations is becoming less homogeneous, reflecting the move towards a more genuinely Australian culture which started a decade or so ago.

For one thing, Australian government policy is now officially multicultural, which has helped give minority ethnic groups the

Letter from



SYDNEY

self-confidence to develop or reinterpret their own Christmas traditions.

For another, the sheer number of immigrants who have come to Australia since the second world war (more than doubling the population from 8m to 17m) have altered the ethnic balance of the population and weakened ties with the so-called mother country.

Fewer than 60 per cent of Australians now claim family ties with Britain and Ireland, compared with more than 90 per cent 40 years ago. The new Australians are Italian, Greek, Yugoslav, Arab and, increasingly, Asian.

Few of the new Australians will spend Christmas day in the house or garden, where the Menzies-era Australians felt most comfortable. They will be at the beach, or at the many parks and recreation areas maintained by local councils, which often include family-style barbecues.

Others will work out their own compromise between tradition and common sense. A Swiss friend plans to cook her family's traditional Swiss ham outside in a barbecue. English friends will cook a turkey the day before, and eat it cold with salad.

But it is not just recent immigrants who are finding new ways to celebrate Christmas. Many Australians of British extraction - whose families have lived in their new homeland for generations - are also taking a fresh look at the merits of tradition. After all, Britain has been consciously cutting its ties with the old dominions since it joined the European Community in 1973,

encouraging Australians to come to terms with their own region.

From this perspective, Paul Keating, the Labor prime minister, was only reflecting the drift of opinion when he suggested earlier this year that Australia should become a republic and remove the Union symbol from the corner of the national flag.

These ideas are still at the formative stage, and it may be years before either comes to fruition. But once people start thinking about such weighty ideas as national destiny, just about every facet of life is likely to come under the microscope.

So it is hardly surprising that there are less frost-inspired decorations around this year, or that snowy windowpanes have almost entirely disappeared, or that fewer Christmas cards feature horse-drawn sleighs jingling down snowy village lanes.

Even the schools are getting in on the act. Children are still making models of Santa's sleigh, but the motive power is more likely to be supplied by kangaroos than reindeer. And koalas and wallabies are appearing in the Christmas stable.

There are still some oddities about Christmas Down Under. At my local car service in north Sydney, for example, shirt-sleeved children sang unconcerningly about events in The Deep Mid-Winter, and appeared entirely unimpressed by the Boxing day trials of poor, frozen, Good King Wenceslas.

Increasingly, however, Australians are ready to put their own stamp on Christmas, even if no two people agree about what it should be. In time, a uniquely Australian Christmas may emerge, reflecting the development of a more mature and self-confident society.

But for now, it's everyone for himself. Me? I shall be throwing another prawn on the barbie, and dreaming of a white Christmas.

Kevin Brown

It's said that to consistently produce great wine you need a lifetime of experience. Luckily we've had two.



WINE MAKER'S NOTES
Exhibits natural apple, citrus fruit aromas and flavours of medium light intensity. Has a crisp dry finish that's easily drinkable. Appropriate with mild cheeses, poultry, pork or veal.
Addity 0.6g/100ml. Residual sugar: Dry 10g/100ml. pH 3.35.
Minimum 6 months in bottle before release.

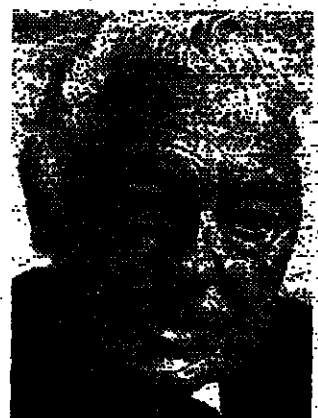
Ernest & Julio Gallo

Out of the mouth of babes and businessmen

Roderick Oram compiles the business quotes of the year

“

What is good for Volkswagen is not necessarily good for Europe.”
Jean-Pierre Chevènement, former Socialist defence minister and anti-Maastricht rebel.



“The European boat has to learn how to sail with the German elephant aboard.”

Gianni Agnelli, head of Fiat, on Germany's economic power.

“I am tempted to take my family, go to my yacht and sail away.”

Bernard Tapie, Adidas owner, after resigning from the French government.

“De Beers would rather cut its throat than the dividend.”
Richard Stuart, a leading Johannesburg analyst, shortly before the company predicted it would cut its final dividend for only the second time in its history.

“I like to buy a company any fool can manage because eventually one will.”
Peter Lynch, legendary former head of Fidelity Investments' Magellan Fund.

“It's been four years and we still don't know what we have in inventory and we still don't know what we're selling.”
Sir Richard Greenbury, chairman of Marks and Spencer, on information systems at Brooks Brothers, its US store chain.

“After 150 years, we've finally learned how to run a railroad.”
John Snow, chief executive of CSX, after the US railway group raised profits 19 per cent on flat revenues.

“Imagine the outcry from the black community if a brewer were to market a liquor anti-

ted Martin Luther King Beer, or from the Christian Community for a Jesus Christ White Wine.”
Gregg Bourland, chairman of South Dakota's Cheyenne River Sioux Tribe, after Harrell Brewing named its new malt liquor Crazy Horse.

“It has a strong, fruity fragrance accentuated with floral top notes.”
Mark Cash, an Esso advertising executive, on the odour of a new diesel fuel.

“We Swiss may get up early, but we wake up late.”
Zurich banker, after the Swiss voted against joining the European Economic Area.

“In French we have an old Arab saying: let the jackals bark, the caravan carries on.”
René Leclercq, chairman of Louvre, on the media's “misleading campaign of hysteria” about the international trading conglomerate.

“If your house price has fallen, you are afraid of losing your job, and you have high levels of personal debt you are bloody well not going to go out and spend money no matter where interest rates are.”
Geoff Mulcahy, chairman and chief executive of retail group Kingfisher.

“Here is the person to be your minder, godfather, counsellor... He has one authority — he's going to control the purse strings.”
BTR's message to Hawker Siddeley executives after it won control of the company with a £1.55bn bid.



“Other people at the top, like Nigel Mansell and Rod Stewart, are paid huge sums of money, so why not businessmen?”
Greg Hutchings, chief executive of Tomkins, defending his salary of some £1m.



“We've already had a million Germans and a million British guests, and to have those numbers in France without a war going on is really something.”

Michael Eisner, head of Disney, on visitors to its French theme park.

“Stopping the company going into receivership in October 1990 and October 1991. I'm sorry I didn't perform a hat-trick.”

David James, company doctor, chairman of Davies & Newman, on his greatest achievement. The December 1992 EGM voted to wind up D&N and sell Dan-Air, its main asset, for £1 to British Airways.

“James has a lot to contribute. But he may become part-time and decide to elect for a non-executive role.”

Derek Bonham, chief executive of Hanson, the Anglo-US conglomerate, on the future role of Lord Hanson, the group's founder and chairman.

“I often tell people I sleep like a baby. I wake up every 10 minutes screaming.”
Fony Ryan, chairman and founder of GPA Group, the aircraft leasing company, three months before the group's \$300m flotation was abandoned.

“When the warehouse burns down, the pretty ones run out with the ugly.”

Roland Shaw, chairman of Premier Consolidated Oilfields, setting his own sliding share price in the context of the oil sector's collapse shortly before he agreed to relinquish his executive role.

“It doesn't take an Einstein to figure where the opportunities are... And if that is a society moving towards capitalism, then that's the place for me!”
George Walker, ex-broker, ex-chairman of Brent Walker, on why he and his wife were exporting cigarettes to Russia.

why he and his wife were exporting cigarettes to Russia.

“They tend to be splintery-type crumbs rather than ball-type crumbs.”

Brian Lamb, finance director of Clifford Foods, on the company's decision to start producing Japanese crumbs for breaded fish makers.

“People take me for either an idiot or a hooligan. I believe I am neither one nor the other.”
Jean-Luc Lagardère, reacting to critics of his plan to merge his Hachette book and magazine publishing group with his Matra defence and transport company.



“The last three years have been a bloody nightmare.”

Alan Sugar, on the trials of running Amstrad.

Further Sugar lumps: “Prime karaoke candidates.”
On whingers at the EGM.

“I don't want to convince anyone of anything.”
On why he had failed to visit the City to discuss his offer to buy out Amstrad shareholders.

“If the shareholders were to turn me down, one has to take it quite bluntly that they think I've been lying to them.”

“I've told them it's best for them to get out. If they don't believe me, it's because they think I'm trying to trick them. That's the most hurtful thing at the moment.”
On shareholder rejection.

“I've sold lots of shares and made a personal fortune... Look, in 1980 I had a company which was worth nothing.”
On the joys of taking Amstrad public.

“I'm a miserable sod.”

”

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Privatisation: gas provides a lesson

From Mr T S Corrigan.

Sir, Proposals put forward by Sir James McKinnon, the gas regulator, that British Gas should be divided and his remarks on the permanency of conditions in the prospectus, which undoubtedly proved attractive to investors at the time, highlight the uncertainty facing users of postal services.

In announcing its plans to privatise ParcelForce and the wider review of the Post Office, which could result in further privatisation, the government has committed itself to the continued provision of nationwide parcels and letters services at uniform and affordable prices and a nationwide network of post offices. It has been stated unequivocally that these requirements are not negotiable.

Last month the council which I chair submitted its views on the government's two initiatives. In the case of ParcelForce we have stressed that if the universal service obligation is accepted by a purchaser it is important that the means are put in place to enforce the honouring of that obligation.

Users expect appropriate machinery to be established to ensure the required standard of service, price and adherence by the provider. They also need to know how government proposes to guarantee continuation of the universal service should the purchaser of ParcelForce fail or, as is now occurring in the case of British Gas, a significant change of direction be mooted some years on.

Similar guarantees and the means to enforce them will be required in the event of a decision to privatise Royal Mail or Post Office Counters.

Our understanding is that these issues are still under consideration by government. I believe it is vital that careful account is taken of the implications and the outcome of what Sir James McKinnon has now proposed for British Gas.

T S Corrigan, Post Office Users' National Council, Waterloo Bridge House, Waterloo Road, London SE1 8UA

National lottery: a means to fund a better quality of life

From Baroness Seear.

Sir, In your article on the national lottery (“Monopoly game”, December 10), you point out that the funds from the lottery will be channelled to charities by the national heritage secretary.

Charitable voluntary organisations have in recent years become increasingly dependent on grants from government departments and there is a serious danger that many of them may become little more than administrative agents of the departments. Yet it is widely recognised that the value of voluntary organisations is their ability to criticise established practice, to experiment and to initiate work which such dependence can seriously undermine.

To halt this trend alternative sources of finance, totally independent of government, are urgently needed.

The national lottery provides an opportunity not to be missed.

Baroness Seear, House of Lords, Westminster, London SW1

From Mr Denis Vaughan.

Sir, Your leader writer seeks to be more in love with financial principles than with the quality of life. The reason we proposed a national lottery was to fund those areas of British life which are dramatically underfunded. Our board defines quality of life objectives as those which make available to the individual, from all walks of life, the widest possible range of healthy and vital leisure activities, so that all may enjoy fuller and richer lives.

On the advice of some of the best economists in the UK, our board has proposed that the National Lottery should be mounted as a charitable foundation, with specific purposes. Thus it would increase the current £17bn turnover of charities to an estimated £18bn. The foundation, an idea first put forward by Sir Robin Day, would be out of the reach of government manipulation and thus in a position to make a genuine contribution to new ventures, with participation in arts, sports and the environment as particular aims.

The most successful business in Norway is its lottery, which is untaxed. Britain would be wise to follow this example. Residual funds, after prizes and expenses are accounted for, would go into the foundation as direct tax. The funds that will flow back to Treasury as a result of the lottery's operation will increase, because of its “feel good” effect on the public. In the Irish Republic both the top 20 charities' income and the betting duty have increased since the lottery started to function.

Were the UK lottery market to be opened up to a variety of competitors as you propose, no single lottery would be able to offer the large prizes which, throughout the rest of the world, attract massive and regular participation. So the total funds available for the regeneration of life throughout the country would be considerably reduced.

Denis Vaughan, executive director, Lottery Promotion Company, 21 Floral Street, London WC2E 9DG

Restrictions on access to US market to blame for breakdown of BA-USAir deal

From Sir Colin Marshall.

Sir, British Airways' reluctant decision to terminate its agreement to invest \$750m in USAir may indeed mean that a significant opportunity has been lost to liberalise transatlantic air services, but not for the reasons put forward by Stephen Wolf (Letters, December 22).

The proposals tabled by the UK government in early Octo-

ber show very clearly that the UK has offered to remove the restrictions on services that may be operated from any airport, including Heathrow, by airlines of both sides.

The talks broke down because the US demanded immediate and unlimited access to the UK market while maintaining high protective barriers to its own market, which is 40 per cent of air

transport worldwide. Had they been prepared to agree to relax their outdated restrictions on inward investment, the two countries would now be on an assured path to a fully liberal agreement.

Colin Marshall, deputy chairman and chief executive, British Airways, Heathrow Airport (London), Hounslow TW6 2JA

St Andrews apostrophed

From Douglas Gourlay.

In your otherwise excellent report on university research (“Top-quality research is scarce”, December 18), you include in your list of universities that of St Andrew's. I have never heard of this university, although I am fortunate to

have a research degree from St Andrews University in Fife. Perhaps we will be seeing a Lead's University in next year's table.

Douglas Gourlay, 137 Desswood Place, Aberdeen, Scotland

Too too bad

From Mr John Anstis. Sir, Re Observer's “Dreaming spiral” (December 18) what manner of Oxonian would write “the hoi polloi” — “the many”.

John Anstis, Stratford Lodge, 4 Park Lane, Salisbury, Wiltshire

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OBSERVER

Up and down at Barron's

For 26 years his column has been among the best loved — and feared — on Wall Street. But now Alan Abelson, the colourful 67-year-old editor of Barron's, has been sacked by his overlords at the mighty Dow Jones publishing group.

To be fair, Dow Jones has only asked Abelson to resign as editor and wants him to continue writing his outspoken and market-moving “Up & down Wall Street” column under a new editor.

But Abelson, who only this week was calling for the boss of IBM to quit and the company to be declared an official disaster area, knows better than most the various ways to get rid of people without calling it “the sack”.

Few financial journalists have been as influential as Abelson, who has edited Barron's since 1961 and has worked there for 36 years. Indeed, in the minds of many of Barron's 250,000 subscribers the weekly magazine is indistinguishable from the editor himself.

I came out of the womb and the first thing I saw was the Barron's logo,” Abelson joked yesterday.

So what happened? “Two weeks ago I came to work and was told that Dow Jones wanted a new editor. It's a reasonable choice. It's their shop. I guess I'm a bit long in the tooth, although my teeth are still pretty sharp,” says Abelson.

He would have liked Kathryn Welling, a protégé and associate editor, to take over. “But she is going into the business of mothering,” and has decided to “take herself out of the loop, as George Bush would say.”

The worry now is that Dow Jones will replace Abelson

with a Wall Street Journal editor. If so, it could result in the sort of internal row which Abelson has so enjoyed reporting over the years. But for the moment he is behaving impeccably. “I have never felt this good in my memory. All of a sudden the weight of the world has been lifted off my shoulders.”

Sounds uncharacteristically diplomatic for Abelson.

Spanish practice

A colleague flying to Spain with British Midland after Christmas was advised by the airline to telephone Avis about renting a car.

Yes, said Avis, we have a special deal for British Midland customers: £400 for two weeks. When mild disbelief was expressed at the rate demanded, the reservations clerk responded immediately with an even more special deal of £200.

The moral for prospective customers seems clear: when dealing with Avis, act on the company's slogan and try harder.

Beyond our Ken

Who would have thought it? The Sun is inviting its readers to write and complain. Not normally known for its contribution to raising readers' standards of literacy, the tabloid is cockily enjoining its faithful followers to, well, pen a letter of complaint about the content of Britain's top selling daily newspaper.

Ken Donlan, former Sun managing editor and Ombudsman these past four years, dealt with two big cases and heavily censured the paper, the tabloid informs us yesterday in an article flagged “Save our Ombudsman”. But since then — shock, horror, probe — nothing.



“Ebenezer Scrooge, I am the ghost of Christmas future”

So wake up readers. Save his job by telling him “how you, personally, have suffered from intrusion or inaccurate reporting”.

Sounds as if the Sun's editorial powers-that-be are trying to come up with an unusual foil for those politicians currently making nasty noises about anything from privacy to accuracy to a right of reply.

Sacks tax

The Swiss may be a bit bewildered after voting for isolation from the rest of Europe in a referendum earlier this month, but they are still Swiss. From January 1 in many communities, new regulations come into effect on the handling of household rubbish, designed mainly to require people to pay directly for rubbish collection.

In Zurich, refuse will not be picked up unless it is in specially coloured bags that include the tax in their purchase price. Of course, these are now sold out.

In Basle, residents must purchase and stick on each

bag a little tax stamp. And who betrays those who fail to do so. “The local authority is entitled to open bags that do not have a sticker attached to discover the culprits,” a city notice warns.

And being a Swiss authority, no doubt it will.

Big stick

Watch out, Baroness Brigsstocke is on the prowl. The former High Mistress of St Paul's Girls' School, whose no-nonsense style has sometimes been compared with Lady Thatcher's, has been appointed an associate director of the powerful, but secretive, Great Universal Stores.

Although she once did a stint as a shopgirl at Selfridges, Heather Brigsstocke made her name as Britain's most formidable head mistress. Since she quit teaching in 1989, she has been doing some consulting work for GUS and has now been given a title and a job — advising Lord Wolfson's family retailing business on training and personnel.

She says she is “enormously impressed” with the young women she meets in GUS but feels that there is “far more potential in the workforce than has been realised”. Sounds familiar. Must try harder, girls.

Tail spin

The spirit of amikadori — the “descent from heaven” of Japanese civil servants to senior positions in industry — appears to have been turned on its head at Mazda. Kenichi Yamamoto, who developed the carmaker's rotary engine and led its 1980s expansion, has stepped down as chairman, where he is replaced by Norimasa Furuta, to become “supreme adviser”.

INSIDE

French retailers in a chilly climate

When Mr. Jean-Jacques Delort this week resigned as chairman of Printemps, one of France's most famous department store groups, he closed the latest chapter in the saga of French retailing. His departure, following a row with Mr. François Pinault, whose industrial group acquired Printemps last year, is only one of the dramas to have hit French retailing in the past week. **Page 12**

Beefing up guinea-pigs

Locals in the high Peruvian Andes have been eating guinea-pig (above) for millennia, with the traditional portion being one animal. Now a programme of genetic improvement is starting to bear fruit. The guinea-pigs are getting bigger, and now one can serve four hungry country dwellers. **Page 17**

Restructuring helps Isuzu

Isuzu Motors, the Japanese vehicle maker with close links to General Motors of the US, yesterday announced a pre-tax loss of ¥23.5bn (\$191m) for the 12 months to the end of October. The result was an improvement on the previous year's loss and a sign that its restructuring programme is making an impact. **Page 13**

Slowdown in Colombia

For Colombia, 1992 has been a very difficult year as severe power rationing, low coffee prices and guerrilla attacks on the oil and mining industries took their toll on economic growth. This has been reflected in the performance of the Colombian stock market which has risen more modestly this year than last. **Page 30**

Slow growth for equity offerings

Difficult stock market conditions in Europe and the US held the growth in international equity offerings in check this year. The total volume of international equity issues increased only 7 per cent, according to figures compiled by Euromoney. **Page 14**

Understated confrontation

A potentially long and tense confrontation between Union Bank of Switzerland (UBS) and its largest shareholder began yesterday in a typically understated Swiss way. **Page 12**

DCC in bid for Wardell Roberts

DCC, Dublin-based industrial holding group, has made a recommended bid for Wardell Roberts, the Irish snack and health food distributor, just a week after backing a management buy-out of Printemps, a printing supplier to the computer industry. **Page 15**

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Chief price changes yesterday

FRANKFURT (DM)		Duke de France	
Riese	307	300	+ 21.5
SEB	350	350	+ 16.5
Vestel Zm	148	148	+ 24
PWA	280	280	+ 6.5
Varta	280	280	+ 6.5
Pelle	210	210	+ 10
Colson Kormen	775	775	+ 10
VEW	210	210	+ 9
NEW YORK (\$)		TOKYO (¥)	
Riese	51 1/2	440	+ 4
Duke	18	440	+ 4
Hewlett	18	440	+ 4
IBM	120 1/2	440	+ 4
UAL	120 1/2	440	+ 4
Pelle	210	440	+ 4
Colson Kormen	775	440	+ 4
VEW	210	440	+ 4
PARIS (FFr)		MILAN (Lira)	
Riese	394.1	330	+ 22
Bentley Co	394.1	330	+ 22

LONDON (Pence)		MERCURY ASSET	
Riese	13	395	+ 30
Abbey Panels	15	122	+ 6
Albrighton	16	24	+ 14
Amoy Properties	13	243	+ 14
Asprey	16	713	+ 60
BA	11	444	+ 14
BTR Nylax	13	588	+ 24
Balises	13	65	- 7
Berlitz	16	92	- 5
Borland TV	16	261	- 10
Brake Bros	15	151	- 13

IRI to reveal plans for high-tech group

By Haig Simonian in Milan

DETAILS will be announced today of plans to create a single Italian high-tech group covering companies controlled by the IRI state holding concern.

Shares in Finmeccanica, IRI's aerospace and engineering subsidiary, were suspended yesterday pending an announcement.

The suspension also covered Finmeccanica's listed Alenia aerospace and Elseg-Bailey precision engineering offshoots.

The moves are the curtain-raiser to an offer by Finmeccanica to buy out minor-

ties in its two subsidiaries.

Terms of the deal, which has been preceded by detailed valuation work, will be released later today. Shareholders in Alenia and Elseg-Bailey will be offered equity in Finmeccanica.

It is not known whether there will be a cash alternative. Nor is it yet clear why shares in Finmeccanica's quoted Ansaldo Trasporti subsidiary has not been suspended.

The plan crowns Finmeccanica's ambition to become the single quoted vehicle for all IRI's high-technology industrial activities. Apart from Alenia and Elseg-

Bailey, Finmeccanica's operations include the big Ansaldo engineering and transport equipment concern.

The group, which has 56,000 employees, had sales of L10,968bn (\$7.78bn) last year.

After meeting a European Commission requirement to repay L719bn in aid and interest to the Alfa Romeo cars group, formerly owned by Finmeccanica, it posted a 1991 loss of L355bn.

Finmeccanica executives have claimed that a single listing would provide substantial financial and marketing benefits.

That strategy has been indirectly boosted by the new Italian government's privatisation plans. Last week, Mr. Piero Barucci, the treasury minister, forecast eventual capital increases for both Finmeccanica and Stet, IRI's telecommunications holding company, including a much bigger role for private shareholders.

Finmeccanica took a first step in October when it gained a stock market listing through the reverse takeover of its already-listed Sifa property and securities trading arm.

Bankers question Finmeccanica's claim that a single listing will prove more attractive to investors than the current situation.

Heavy weather for BA's ambitious global strategy

Paul Betts and Nikki Tait on why the airline's proposed partnership with USAir was grounded

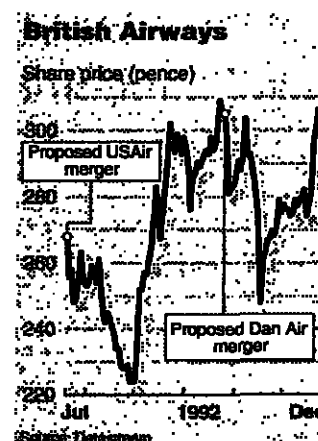
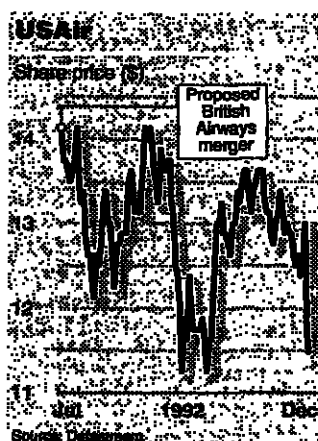
BRITISH AIRWAYS has fulfilled two of its three strategic goals this year to become the world's biggest global airline. But the most significant component of this strategy collapsed yesterday when the UK flag carrier announced it was pulling out of its proposed \$200m deal to buy a 25 per cent stake in USAir, the sixth largest US carrier.

Last week, BA was chosen by the Australian government as the preferred international airline partner for Qantas. Earlier this year, BA consolidated its position in the European market by acquiring Dan-Air, the ailing UK regional carrier, taking large minority stakes in TAT, a French regional carrier, and in a new German airline venture called Deutsche BA. In Russia, it launched a new international joint airline venture with Aeroflot called Air Russia.

But the biggest prize was always a partnership with US airlines to strengthen BA's reach into the world's single biggest aviation market. After failing two years ago to forge a strategic alliance with United Airlines, BA last year sought to form a strategic alliance with KLM Royal Dutch Airlines and Northwest Airlines, KLM's US equity partner. That deal also collapsed and BA turned its attention to USAir.

For USAir, BA provided a financially strong partner giving it access to the international market. For BA, USAir provided the passenger feed it was looking for to boost its transatlantic operations.

The pressure to secure a ally in the US had been increasing for BA following the takeover of the old Pan American and TWA transatlantic routes two years



ago by the big three US carriers American Airlines, United Airlines and Delta Air Lines. Since their multi-million dollar route acquisitions, these three airlines have launched an aggressive offensive into the European market. But suddenly faced with a direct challenge by BA into their own back yard, they gangled together to put intense pressure on their government to block the BA-USAir deal unless they were granted greater access into the UK market, especially BA's home base of Heathrow.

Lord King, BA's chairman, and Sir Colin Marshall, the UK airline's chief executive, argued strongly against any further opening of Heathrow to US carriers unless the US government eased its tight regulations on foreign ownership of US airlines and granted UK carriers more access into the US market.

The deadlock intensified with neither side prepared to give ground on the basic issue: greater access to Heathrow for US carriers in exchange for the BA investment in USAir.

However, the UK carrier has not given up the possibility of negotiating a revised deal with USAir in the New Year.

If the collapse of the deal is a strategic set-back for the British carrier, it presents a more immediate problem for the US one. Quite simply, USAir could have used the cash.

Ever since the BA proposal was announced last July, USAir has walked a tightrope. On the one hand, it has proffered its ailing financial condition and the fear of future job losses as reason for politicians to support the BA transaction. On the other, it has been anxious not to alarm the financial community, nor US travellers who have grown wary of distressed airlines.

But USAir's financial statements show that between the beginning of 1990 and the end of September, 1992, the company lost almost \$1bn after tax. It is also carrying around \$20m of long-term debt on its balance sheet in part, the product of operationally-troublesome mergers with Pacific Southwest Air-



Lord King calls a halt to the deal

lines and then Piedmont Aviation in the late-1980s. These borrowings cost over \$200m a year to service, while USAir last made an operating profit - a flimsy \$21m - in 1989.

So how has the Arlington-based carrier stayed afloat? Like many of its competitors, USAir has become adept at collateralising assets and rescheduling aircraft deliveries. The carrier has also held a series of negotiations with its bankers.

More fundamentally, however, USAir has reorganised its flight schedules, pulled out of some Californian markets, and wound down its presence at the former Dayton, Ohio, hub. It has secured wage concessions from its main employees - flight attendants excepted - said to be worth \$400m a year.

Whether the overall result of these moves adds up to profits in 1993 - let alone profits which meet the debt service requirements - depends to a considerable extent on the business envi-

ronment which the carrier faces. This looks a little brighter on the back of the improving US economy, but a year ago, few would have predicted the savagery with which price-cutting gripped the industry in 1992.

"I don't think there's a short-term crisis right around the corner, but the environment is still very difficult," said Mr. Robert Ray at Moody's, the US credit rating agency, which now has USAir debt ratings under review with direction "uncertain".

What appears clear is that USAir does not intend to remain a regional carrier. And since the company's main attraction is its strong East Coast-based route network, a Transatlantic partner is the obvious fit.

As for BA's own future, it clearly intends to try once more to forge a working partnership with a US carrier to complete its global strategy.

If USAir remains elusive, the UK carrier is likely to scour the US for another suitable match. The list of candidates, however, is becoming worryingly short.

Ciments Français bids for the remainder of Guinotli

By Alice Rawsthorn in Paris

CIMENTS Français, the troubled French cement group, has bowed to pressure from the Paris stock market authorities by mounting a bid for the remaining shares in Guinotli, the building company linked to the scandal over its off-balance sheet dealings.

The bid values Guinotli at FF466.7m (\$87.2m).

It has been made by Ciments Français and Paribas, the French bank, which, following this autumn's scandal, was forced to offer to repay FF500m of the FF600m it received for selling control of Ciments Français

to Italcementi of Italy.

Ciments Français and Paribas are offering FF690 a share for the 67.1 per cent of Guinotli's equity the former does not already own. This is the same price that Ciments Français paid for its original 32.9 per cent stake.

Paribas' involvement forms part of its agreement with Italcementi.

Under the terms of that deal, it now owns Ciments Français' existing stake in Guinotli and will be entitled to any shares that are subsequently acquired.

The offer follows an announcement last week by the Conseil

des Bourses de Valeurs, the French stock market regulator, that Ciments Français should bid for Guinotli after the discovery that the off-balance sheet dealings - worth FF1.05bn overall - had raised the group's stake above the 33.3 per cent level at which, under French law, a company must make a full offer.

Meanwhile, the Spanish stock market authorities have yet to complete their investigation into Ciments Français' investment in Cementos Molins, a Spanish cement company in which the French group may have raised its minority stake above the trigger level for a bid.

Standard sell-offs raise £200m

By Robert Peston, Banking Editor

STANDARD Chartered has raised £200m (\$304m) from a series of property sales in Hong Kong, Malaysia and Singapore.

The properties, which include its Hong Kong headquarters and several branches, cost the bank only £13m and were valued in its balance sheet at £77m.

It has owned many of them for decades.

Mr. Rodney Galpin, the chairman, who is due to retire next year, said the sales were carried out as part of the bank's strategy of concentrating its resources on its international banking businesses.

They followed the disposals at the end of 1989 of the bank's London headquarters and its Singapore office block for a combined total of £403m.

In the current series of transactions, the biggest disposal is that of Standard's interest in Hong

Kong headquarters building to Amoy Properties for £74m. This asset had cost the bank £2m.

Last week, it announced the disposal of 13 commercial buildings in Hong Kong, occupied by its branches, for \$54m. The purchaser was Koon Wah.

A number of residential, commercial and investment properties in Singapore and Malaysia are also being sold.

Some of these date from Standard's beginnings in UK colonial banking before the First World War.

These sales mean that some of Standard Chartered's Asian operations will now have to pay rent on the premises they occupy.

However, a Standard executive said that the bank would earn more in 1993 from investing the sale proceeds than it would be paying in new rents.

The deals will also lead to a £180m increase in the bank's tier one or core capital, which is a



Rodney Galpin

measure of its balance sheet strength. Standard Chartered shares rose from 544p to 568p.

Big Six accounts groups lift fee income

By Andrew Jack in London

THE WORLD'S largest six international accountancy networks boosted fee income 6 per cent to \$31bn in the last year, according to figures to be published today by International Accounting Bulletin.

KPMG Peat Marwick topped the list with income from 124 affiliated firms up 2.3 per cent to \$6.2bn in the year to September 30, while it reduced staff and partner numbers by 4 per cent to 73,488.

The remaining Big Six firms - in descending order by fee income - were Ernst & Young, Arthur Andersen, Coopers & Lybrand, Deloitte Touche Tohmatsu and Price Waterhouse.

With the exception of Arthur Andersen, most of the international networks are loosely integrated associations of firms which share referrals but not profits or liabilities.

Because they are partnerships, none publishes profit figures. In spite of reduced staff numbers and the prolonged effects of the global recession, fee income for the leading 28 networks rose by 11 per cent, comparable with the previous year.

Andersen reported fee income up 12.7 per cent to \$5.6bn in the year to August 31, and was one of very few firms to increase staff from 59,797 to 62,134.

Kreston International boosted fee income 34 per cent to \$189m, Clark Kenneth Leventhal by 23 per cent to \$467m, and Nexia International by 19 per cent to \$483m.

Much of this growth came through the addition of new members to the networks of the firms. Only one network - GMM International - reported a decline, with income down 0.6 per cent to \$165m.

The 28 international accountancy networks listed generated fee income of nearly \$41bn in the latest financial year.

But the figures in the report, published by the Lafferty business information group, illustrate the continued dominance of the leading "Big Six" accountancy networks.

The top six firms reported income of \$31bn in their most recent year, with a substantial jump from the seventh largest, BDO Binder Hamlyn, at \$1.2bn to the sixth, Price Waterhouse, at \$3.8bn.

Total employment across the 28 networks was about 500,000.

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The rankings have been supplied by the Financial Times Statistics Service published in the December 1992 issue of Money Management, based on mid market to mid market price, net income reinvested.

Enquiries to the Manager:

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INTERNATIONAL COMPANIES AND FINANCE

Sweden provides fresh start deal for Nordbanken

By Christopher Brown-Humes in Stockholm

THE SWEDISH government is providing a further SKr14bn (\$2bn) in equity and SKr10bn in guarantees as part of the reconstruction of the troubled Nordbanken group.

The announcement yesterday came as the state said it would formally take over Securum AB, a company holding SKr87bn in bad loans and shares (SKr50bn after write-downs), from Nordbanken at the beginning of 1993.

The aim is to provide Nordbanken with a fresh start, facilitating the bank's eventual return to the private sector, while gradually disposing of the assets within Securum.

The government is financing Securum with SKr24bn in equity and it is providing a SKr10bn guarantee for a further SKr30bn in credits which Nordbanken is making on favourable terms to Securum.

The support is in addition to a SKr10bn injection which Nordbanken received from the state last month, and it includes SKr10bn of help

already promised but not given. It means the state will contribute a total of SKr34bn in equity to resolve the problems relating to Nordbanken.

Nordbanken was generally considered to be in a more critical condition than the other banks in Sweden's ailing financial sector. However, the figures announced yesterday were much higher than indicated in June, when a SKr20bn support package was announced. The deterioration implies more support is going to be required for the Swedish banking system as a whole than previously thought.

The worsening in the general economic situation is the main reason for the change.

Nordbanken's credit losses, including those within Securum, will now be SKr10bn more than the SKr5-SKr8bn estimated in May. The government also accepts that it will take longer to dispose of the assets within Securum and prices realised will be lower, than it thought earlier.

The bank is also cutting SKr1bn off costs and reducing staff 20 per cent to 4,500 people.

UBS faces challenge from key shareholder

By Ian Rodger in Zurich

A POTENTIALLY long and tense confrontation between Union Bank of Switzerland (UBS) and its largest shareholder began yesterday in a typically understated Swiss way.

UB Vision, a Zurich-based investment trust which holds Sfr664m (\$469m) worth of UBS shares carrying nearly 4 per cent of the votes, sent a letter to its shareholders saying that it had contacted UBS about changes in the composition of its board announced last week.

The letter, signed by Mr Kurt Schlittke, managing director, said the trust sought to put forward the interests of its company as shareholder in a direct conversation with them.

Mr Schlittke said he would not comment publicly on the substance of the trust's concerns about the board changes, but it is widely known in Swiss financial circles that the dispute is over the UBS board's decision not to nominate Mr Christoph Blocher, a controversial industrialist-politician, to its ranks at the annual meeting in April.

UB Vision is one of two specialised investment trusts set up last year and managed by BZ Bank, a maverick Zurich securities house led by Mr Martin Ebner. The other is Pharma Vision, of which Mr Blocher is chairman.

In both cases, the trusts have taken over shares held by large institutions with the view to creating a single large shareholder capable of putting pressure on companies' managements. In particular, it advocates having independent representatives on company boards, and it undoubtedly sees Mr Blocher as one such at UBS.

UBS said it was sacking Mr Blocher, who is a member of the federal parliament, because of his alleged advocacy of government regulation of mortgage interest rates and of bringing the Swiss central bank under parliamentary control.

French retailers caught in a chilly climate

WHEN Mr Jean-Jacques Delort resigned this week as chairman of Printemps, one of France's most famous department store groups, he closed the latest chapter in the saga of French retailing.

His departure, following a row with Mr Francois Pinault, whose industrial group acquired Printemps last year, is only one of the dramas to have hit French retailing in the past week. Tesco, the UK supermarket group, last Friday took control of Cateau, a chain in northern France.

On the same day, Carrefour, one of the biggest French retailers whose chairman, Mr Michel Bon, resigned this autumn after reporting a sharp fall in interim profits, announced that November's sales had been "the worst in its history", and issued a profits warning.

The French retail sector is struggling against a weak demand and pressure on prices at a time when Germany's heavy discounters are expanding into France and the big indigenous groups - Promodes and Casino, as well as Carrefour and Pinault-Printemps -

are digesting sizeable acquisitions. These problems are aggravated by the historically low profitability of some areas of French retailing, notably food.

"Life has been tough in French retailing for a couple of years, but it has become much, much tougher this year," said Ms Christiane Thorne, European retailing analyst at

hampered by the internal changes within the industry. First, the German discounters, notably Aldi and Norma, have become increasingly aggressive in the food sector. The Germans have accelerated their openings in France over the past two years prompting, the French to expand their own discount chains, as Carrefour has done with Europa

Small companies such as Cateau, a family-owned chain of 90 stores in northern France, have been forced to sell out to larger players, in its case to Tesco. Similarly, Carrefour last year acquired Euro-marché and Montaur, just as Casino this summer took over Rallye.

There have been similar deals in other areas of retail-

they are still trying to integrate their acquisitions and are not yet able to benefit from their improved purchasing power. Similarly, Promodes is still digesting Plaza, a German business bought last year.

"These companies were all over-optimistic about their acquisitions," said Ms Claire Kent, European retailing analyst with Morgan Stanley in London. "The economic slowdown undoubtedly means it will take longer to bring them up to an acceptable level of profitability."

At the same time, the economy shows no sign of improvement. A survey published yesterday by INSEE, the state statistics institute, indicated that more than half the French expect their standard of living to deteriorate over the next few months. Even if interest rates fall, there is no real hope of a recovery in consumer spending until after the March elections.

Tesco has chosen a very tricky time to enter French retailing. "Tesco did say that it saw the Cateau deal as a learning experience," said Ms Thorne. "Let's hope it meant it!"

Alice Rawsthorn examines a series of upsets in the sector which is facing intense pressure on prices

UBS Philips & Drew in London.

The crux of the problem is consumer confidence which has been hit by high real interest rates and concern about rising unemployment.

Some retail sectors, such as clothing, have also been affected by the unseasonably dull summer and mild winter. Hypermarkets saw their sales slip by 0.7 per cent in the first three quarters of this year.

Department store sales fell by 2.3 per cent. Meanwhile, the trend for people to trade down to cheaper goods has squeezed margins.

Retailers' attempts to adapt to this chilly climate have been

and Ed L'Epiciere.

The discounters are expanding at a time when the saturated state of the French food market is making it more difficult for established retailers to open new outlets. Many of the major players have been forced to contract by closing poorly-performing stores.

This problem, combined with the need to increase purchasing power to remain competitive in negotiations with the multinational food manufacturers, such as Unilever and Nestlé, has catalysed the recent stream of acquisitions that has reshaped French food retailing.

ing. Pinault's controversial takeover of Printemps included the Conforama furniture shops and La Redoute mail order catalogue as well as the department stores.

These acquisitions have intensified the pressure on smaller companies. They have also destabilised the larger groups, thereby making them more vulnerable to the economic slowdown. Pinault-Printemps has been left with heavy debts and prey to boardroom rows of the type that triggered Mr Delort's departure. Carrefour and Casino have hit the downturn at a time when

Sindy to have facelift after legal spat with Barbie

By Guy de Jonquieres, Consumer Industries Editor

SINDY, once Britain's favourite doll, is to undergo plastic surgery to settle a long international legal dispute with Barbie, her older and more successful American rival.

Hasbro, manufacturer of Sindy, agreed yesterday to remodel her head to distinguish her from Barbie, made by Mattel. The settlement came shortly before a copyright battle between the two US companies was due to go to the UK High Court next month.

The dispute began after Hasbro acquired the licence to Sindy from Pedigree, the UK toy company, in 1986 and set about altering her appearance. The once demure tweed-clad

Sindy suddenly acquired a glamorous face and shapely curves.

Mattel responded with lawsuits, charging that Sindy had become an imitation of Barbie. Earlier this year, stocks of Sindy were seized after a French court ruled the doll violated Barbie's copyright. Mattel has also won cases against Hasbro in Germany, Belgium and the Netherlands.

Barbie, who is sold in a variety of models and costumes, is believed to be the most successful toy range ever. Since she was launched 33 years ago, more than 700m Barbie dolls have been sold in almost 70 countries, and Mattel expects sales this year to be worth a record \$1bn (\$800m).

According to Mattel, a Barbie doll is sold every two seconds.

Debt repurchase setback for BT

By Andrew Jack in London

BRITISH TELECOM may be forced to write off \$56m against current year profits for premiums on the repurchase of government debt, under a proposed ruling expected earlier next year from the Accounting Standards Board.

Three of the regional electricity companies are also likely to have to account for the costs of repurchasing debt totalling \$50m between them in their current financial years.

The treatment is expected to be required under a ruling from the urgent issues task force of the Accounting Standards Board, which could be effective by early next year. But it will be opposed by Scottish Power, which has been following an alternative approach.

The task force warned last week that it planned to ask all companies to recognise immediately the gains or losses when they repurchased

debt. Until now, companies have been able to write off these costs or benefits over the life of the original debt.

The issue came into sharp focus as a result of the government debt auction in November, at which four of the privatised utilities bought back their debt to reduce borrowing costs. The premiums were due on December 15.

British Telecom said it had not yet decided how to treat the costs - believed to total about \$55m - of repurchasing two tranches of government debt worth \$330m.

Scottish Hydro-Electric announced earlier this month that it intended to show the full cost of the repurchase of £116m in debt in its accounts for the year to March 31 1993. That will result in a redemption charge of £12.5m offset by annual savings in interest payments of £4m.

Mr John Rennocks, finance director of PowerGen, said yesterday that his company had

also decided to adopt this treatment on its £19m premium on £150m of debt.

But Mr Donald Whyte, finance director of Scottish Power, said that his company had already adopted a policy of longer-term write-off.

He stressed that this treatment had previously reduced the short-term gains from a repurchase of debt from the National Loan Fund.

The company paid a premium of £18m buying back £142m of the debt in the most recent auction, which will be offset by annual interest savings of between £2.5m and £4m at current rates.

"We have made it very clear we will write off the debt over the period it was redeemable," he said. "To do otherwise would be inconsistent and lead to distortion of earnings. Obviously we would give our views [to the task force] if asked and we might consider giving our views even if not," he said.

Ambroveneto investors agree to shuffle stakes

By Haig Simonian in Milan

BANCO AMBROSIANO Veneto (Ambroveneto), Italy's biggest private-sector bank, has lifted some of the uncertainty over its future following agreement between controlling shareholders on reshuffling their stakes.

Gemina, one of the five companies which together form the shareholders' pact dominating the bank, has accepted the £4,000 a share offer from its other partners for its 13.06 per cent stake.

Gemina, which is indirectly controlled by the Fiat group, indicated in September it wanted to sell out. The £387bn disposal will produce a capital gain of £25bn. Gemina, which controls the RCS publishing group and the Fila sportswear company, among other investments, has not indicated how it will invest the proceeds, which will be paid in mid-January.

Details of how Gemina's stake will be distributed

among the other members of the Ambroveneto pact, which include Crédit Agricole of France and Credipol, the Rome-based long-term lending bank controlled by Istituto Bancario San Paolo di Torino, have not been revealed.

Both Crédit Agricole and Credipol have said they are ready to increase their holdings in what have at times been seen as opening bids to gain eventual control of the bank. However, it is still possible that Mr Giovanni Bazzoli, Ambroveneto's chairman, will manage to find another shareholder to enter the pact, in spite of the fact that the price required is far higher than the current bourse level of £3.88.

The concentration of Ambroveneto's ownership has been reinforced by the wish of four co-operative banks from the Veneto region, which are also in the shareholders' pact with a combined 13.75 per cent stake, to pull out.

This announcement appears as a matter of record only.

December 1992

U.S. \$86,250,000

ABB EY
HEALTHCARE GROUP
INCORPORATED

6½% Convertible Subordinated Debentures Due 2002

Price 100%

The undersigned acted as agents in the placement of these securities.

County NatWest Securities Limited
International Placement Agent

National Westminster Bank Plc
Capital Markets Branch
U.S. Placement Agent

Banca del Gottardo

Deutsche Bank AG London

Dillon, Read & Co. Inc.

Lehman Brothers International

Lombard, Odier & Cie

NM Rothschild & Sons Limited

Smith New Court Securities Limited

NOTICE OF PURCHASE

EUROPEAN INVESTMENT BANK

GBP 500,000,000 9.50% Loan Stock due 9th December 2009

Pursuant to the terms and conditions relating to the Stock, notice is hereby given to stockholders that during the six-month period ending 9th December 1992, no purchases have been made in the open market for this issue.

As of 9th December 1992, the principal amount of such Bonds remaining in circulation was

GBP 469,000,000.-

Luxembourg, 23rd December 1992
European Investment Bank

The Republic of Italy

U.S.\$500,000,000

Floating Rate Notes due 2000

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 23rd December, 1992 to 23rd June, 1993 the Notes will carry an interest rate of 3.625% per annum. The interest payable on the relevant interest payment date, 23rd June, 1993 will be US\$183.26 per US\$100,000 Notes and US\$4,581.60 per US\$250,000 Note.

23rd December, 1992
Istituto Bancario San Paolo di Torino, London
as Agent Bank.

Banco Central de Venezuela

£21,174,000

Floating Rate Bonds due 2005
STG New Money Series B-NP

Banco Central de Venezuela

£21,174,000

Floating Rate Bonds due 2005
STG New Money Series B-P

In accordance with the provisions of the Bonds, notice is hereby given that for the Interest Period from December 18, 1992 to June 18, 1993 the Bonds will carry an interest rate of 8% per annum. The interest payable on the relevant interest payment date, June 18, 1993 will be £20.22 per £250,000 principal amount.

By: The Chase Manhattan Bank, N.A.
Agent Bank

December 23, 1992

The Republic of Venezuela

£28,232,000

Floating Rate Bonds due 2005
STG New Money Series A

In accordance with the provisions of the Bonds, notice is hereby given that for the Interest Period from December 18, 1992 to June 18, 1993 the Bonds will carry an interest rate of 8% per annum. The interest payable on the relevant interest payment date, June 18, 1993 will be £20.54 per £250,000 principal amount.

By: The Chase Manhattan Bank, N.A.
Agent Bank

December 23, 1992

The Republic of Venezuela

£119,402,500

Floating Rate Bonds due 2007
STG Debt Conversion Series

In accordance with the provisions of the Bonds, notice is hereby given that for the Interest Period from December 18, 1992 to June 18, 1993 the Bonds will carry an interest rate of 8% per annum. The interest payable on the relevant interest payment date, June 18, 1993 will be £20.22 per £250,000 principal amount.

By: The Chase Manhattan Bank, N.A.
Agent Bank

December 23, 1992

U.S. \$150,000,000

Financière CSFB N.V.

Junior Guaranteed Undated Floating Rate Notes

Guaranteed on a subordinated basis as to payment of principal and interest by

Financière
Crédit Suisse-First Boston

CSFB

Interest Rate	3½% per annum
Interest Period	23rd December 1992 to 23rd March 1993
Interest Amount due 23rd March 1993	U.S. \$ 45.31 per U.S. \$ 5,000 Note
	U.S. \$ 906.25 per U.S. \$100,000 Note

Credit Suisse First Boston Limited
Agent

Citicorp Banking Corporation

U.S.\$250,000,000

Guaranteed Floating Rate Subordinated Capital Notes Due July 10, 1997
Unconditionally Guaranteed on a Subordinated Basis by

CITICORP

Notice is hereby given that the Rate of Interest has been fixed at 5.25% and that the interest payable on the relevant interest payment date, June 23, 1993 against Coupon No. 34 in respect of US\$10,000 nominal of the Notes will be US\$265.42.

December 23, 1992 London
By: Citibank, N.A. (Issuer Services), Agent Bank

CITIBANK

CITICORP

U.S.\$250,000,000

Floating Rate Subordinated Capital Notes Due September 1998

Notice is hereby given that the Rate of Interest has been fixed at 5.25% and that the interest payable on the relevant interest payment date, March 23, 1993 against Coupon No. 34 in respect of US\$10,000 nominal of the Notes will be US\$265.42 and in respect of US\$10,000 nominal of the Notes will be US\$131.25.

December 23, 1992 London
By: Citibank, N.A. (Issuer Services), Agent Bank

CITIBANK

U.S.\$200,000,000

J.P. Morgan & Co. Incorporated

Floating Rate Subordinated Capital Notes Due December 1997

Notice is hereby given that the Rate of Interest has been fixed at 5.25% and that the interest payable on the relevant interest payment date, March 23, 1993 against coupon No. 28 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$131.25 and in respect of U.S.\$250,000 nominal of the Notes will be U.S.\$328.25.

December 23, 1992 London
By: Citibank, N.A. (Issuer Services), Agent Bank

CITIBANK

INTERNATIONAL COMPANIES AND FINANCE

Resignation
clears way
for Astra
takeover

By William Keeling in Jakarta

Mr SUMITRO Djojohadikusumo resigned yesterday as chairman of Astra International, Indonesia's dominant automotive company.

The move clears the way for a consortium led by Mr Pradjogo Pangestu, a timber tycoon, to buy 44.5 per cent of Astra from the Soeryadajaya family, who currently hold a majority stake.

Last week, Mr Djojohadikusumo vetoed the proposed sale of 108m shares for Rp1,080bn (\$818m) to the consortium, describing it as against the interests of Astra and the nation. Toyota, the company's main joint-venture partner, and at least one Japanese bank with exposure to Astra, had opposed the deal, he added.

"Toyota said yesterday: 'In spite of the chairman's resignation, we would like to do business with Astra group in the same friendly relations as before.' Toyota remains undecided about whether to purchase 20m shares offered by the Soeryadajaya last month."

Mr Djojohadikusumo was appointed chairman in September to replace Mr William Soeryadajaya, who wanted to concentrate on rescuing Bank Summa, owned by his family. Last week, Bank Summa was ordered into liquidation, owing Rp1,600bn, and Mr Soeryadajaya has been trying to raise finance to repay depositors. Mr Djojohadikusumo resigned under pressure from Mr Soeryadajaya, brokers say.

Astra's shares rallied Rp250 yesterday to Rp8,750, but brokers expressed disappointment at the resignation.

"He [Mr Djojohadikusumo] was brought in to protect the company's minority shareholders and insulate Astra from Bank Summa. He failed, because he was put in an intolerable position by the Soeryadajaya," said a foreign broker. Brokers stress details of the expected sale of Astra shares are unclear, including the identity of many members of Mr Pangestu's consortium and how the deal would be financed.

GM considers extending
its alliance with Toyota

By Martin Dickson in New York

GENERAL Motors of the US and Toyota of Japan are believed to be discussing an extension of their existing alliance, which manufactures cars at a plant in California. The expansion might include the use of an idled GM factory to produce Toyota vehicles.

Since 1984, GM and Toyota have had a 50-50 joint venture in California, called New United Motor Manufacturing Inc (NUMMI), which is managed by the Japanese company and builds cars sold by each company under its own name.

A Japanese newspaper report, denied by Toyota, said GM had now asked Toyota to use one of GM's idled US factories to build Toyota's new mid-size T100 pickup truck. The T100 has caused a ripple of anxiety among Detroit manufacturers, who currently have the US market for large pickup trucks to themselves.

But GM issued a more positive statement, declaring that the NUMMI joint venture provided a "foundation for further co-operation". It added: "Certainly, the utilisation of idled facilities in the US presents a potential area for discussion."

GM said it was monitoring the T100 and remained committed to defending its number one position in full-sized trucks. It would vigorously compete with all competitors. But analysts said an expanded alliance could benefit both companies. By manufacturing at a GM plant in the US, Toyota would get round a 25 per cent tariff on imported trucks and avoid the cost of building a new factory at a time of financial stringency.

Co-operation with financial-ly troubled GM to keep an idled plant open would help Toyota lessen protectionist sentiment in Washington.

GM, struggling to turn its loss-making North American operations to profitability, would save money on labour costs, since under an agreement with the United Auto Workers union it is obliged to pay laid-off workers virtually full pay indefinitely. The Toyota truck would also occupy a market area where GM does not have a model.

Mr Charles Wheatman, a senior executive with Jones Lang Wootton, who advised Standard Chartered, said the price per square foot paid was well in excess of what other similar properties were selling for.

Amoy, which is 54 per cent owned by Hang Lung, has bought from Standard Chartered the title to the property, but its right to occupy it has been deferred for 20 years.

Five years ago, the property was developed by Nishimatsu, the Japanese property company. It acquired the right to let the property from the bank for 25 years. Nishimatsu then leased about 83 per cent of the space to the bank on a fixed rent which allows for periodic rent increases.

Amoy has taken over the bank's lease and rental commitment to Nishimatsu, and leased back the space the bank needs but at market rents. Amoy's only income from the property is the difference between the market rent and the long-term rental agreement it has acquired. In 20 years' time, the whole property reverts to Amoy.

Analysts said that the transaction was akin to Amoy buying a property future, or a zero coupon bond. As the company has bought ownership but not used it, an estimate had to be made of the property's future value and the rental income foregone. That value was then discounted to take account of risk and loss of income.

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A&P slides to pre-tax deficit

By Nikki Tall in New York

GREAT Atlantic & Pacific Tea Company, one of the largest US supermarket groups and an investor in Britain's Isonceles group, has reported a pre-tax loss of \$4.38m for the three months to December 6. At the net level, after a \$4.8m tax credit, there was a small surplus of \$422,000.

The company has seen steadily declining figures for the past two years, but this is the first time it has dipped into the red at the pre-tax level. The third-quarter loss compares with a profit of \$5.2m in the same period of 1991, and brings the net loss for the first nine months of the year to \$149.4m. This includes the \$88m write-off of the company's investment in Isonceles, taken in the first quarter, and \$91m of non-cash charges related to accounting changes.

Sales during the third quarter fell from \$2.61bn to \$2.57bn, and A&P's chairman, Mr James Wood, blamed the "negative sales comparisons" for the loss. "Approximately 25 per cent of that reported sales shortfall was due to the Canadian dollar exchange rate softening from last year," he said.

However, Mr Wood added that sales trends in Ontario had finally "turned around" after two poor years, although sales in key US markets continued to be soft. The company has been badly hit by the relatively weak local economies in Michigan, the mid-West, New England, Canada and the mid-Atlantic states - where about 80 per cent of the stores are based.

Yesterday, Moody's, one of the large US rating agencies, said that it was reviewing the long-term debt ratings of A&P with a view to a possible downgrade.

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K mart plans 100 stores for Mexico

By Damian Fraser in Mexico City

K MART, the big US retail group, plans to open some 100 discount stores in Mexico, through a joint venture with Grupo Liverpool, a Mexican department store chain.

The two companies intend to invest \$250m each in the discount stores, which will be similar to K mart's stores in the US, selling food and general goods. The project will start with two or three pilot stores in Mexico City next year. The stores will employ about 35,000 people.

K mart is following the steps of both Walmart and Price Club, the US store groups, which last year opened membership-only discount stores in joint ventures with Mexican retail companies, Cifra and Comercial Mexicana.

The stores have proved successful, with 45-minute queues regularly forming outside their car parks. Grupo Liverpool owns 17

department stores in Mexico, and has annual sales of over \$1bn. The company was keen to point out that the discount stores would not compete or overlap with its existing stores, which target the upper and upper-middle levels of the market. Liverpool hopes K mart's huge buying power will enable it to obtain lower wholesale prices than Mexican rivals.

K mart said it was attracted to Mexico by the rapid development of a market of 80m people, and political stability.

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HK office
sold with a
'unique
contract'

By Simon Holberton in Hong Kong

AMOI Properties' HK\$900m (US\$116.4m) purchase of Standard Chartered's headquarters in Hong Kong utilised a unique form of contract for the colony and underlined the company's belief in the long-term future of the colony, analysts said yesterday.

Moreover, the price paid for the property indicated that property prices for prime locations in the colony were still rising, in spite of the current political row between China and the UK about Hong Kong's political development.

Mr Charles Wheatman, a senior executive with Jones Lang Wootton, who advised Standard Chartered, said the price per square foot paid was well in excess of what other similar properties were selling for.

INTERNATIONAL CAPITAL MARKETS

Equity growth held in check by Europe and US

Some international investors were discouraged by the currency turmoil in 1992, writes Sara Webb

DIFFICULT stock market conditions in Europe and the US held the growth in international equity offerings in check this year. The total volume of international equity issues increased only 7 per cent to \$21.72bn in 1992, against \$20.28bn the previous year, according to figures compiled by Euromoney.

INTERNATIONAL EQUITIES

The US and Europe still account for the lion's share of international equity business.

and 1992 saw two large offerings - from Wellcome of the UK and General Motors. Wellcome's \$2.1bn global share offering in July was the biggest non-privatisation issue in the world. Wellcome Trust, the medical charity, sold 288m shares in Wellcome, the pharmaceutical group, raising \$2.1bn and cutting its stake in the company from 73.5 per cent to 40 per cent.

The deal, which was lead-managed by Robert Fleming, was achieved using the book-

building method more commonly used in the US than in Europe. Robert Fleming won considerable praise for successfully arranging such a large deal at a time when world stock market conditions were difficult.

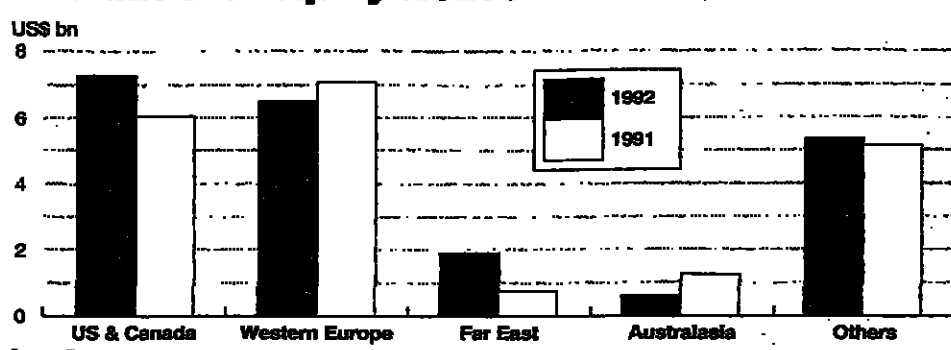
The second big issue of the year was General Motors' \$2.1bn share offering, the largest by a US company. The deal was oversubscribed and the size of the offering increased due to strong demand.

International equity issues from North America increased to \$7.34bn from \$6.04bn in 1991, with a total of 188 issues, according to figures supplied by Euromoney.

However, while equity offerings from the US and Canada rose, those in western Europe declined in volume, to \$6.51bn from \$7.07bn, as turmoil in the foreign exchange markets unsettled the European stock markets and discouraged some international investors.

The currency turmoil had two effects. First, investment bankers pointed out that it probably deterred international investors from buying European equities because of the

International equity issues



Source: Euromoney

greater foreign exchange risk, especially with the pound and lira floating outside the ERM.

Secondly, several governments which had planned to push ahead with privatisations in an effort to reduce large budget deficits found that the stock market conditions were unsuitable. "A lot of finance ministers found they were tied up with Maastricht instead of thinking of ways of raising money," says one UK investment banker.

At the start of 1992, invest-

ment bankers had set their sights on seeing some big privatisation issues from Italy, France, Sweden and Finland.

Only a few of those deals went ahead. Italy, which generated only \$755m in international equity offerings this year, is expected to push ahead with the privatisation of its state-owned banks.

Sweden's centre-right government had hoped to raise about \$1.8bn from selling a further stake in Procordia, the state-controlled food and phar-

maceutical group. The sale was due to take place in the autumn, but was postponed because of currency worries and the unfavourable stock market conditions.

The bulk of the European equity offerings came from the UK (where volume dropped to \$2.95bn from \$3.35bn) and France, where volume rose to \$1.61bn from \$1.27bn.

In June, the French government raised FF9.5bn from its sale of shares in the Total oil group, the biggest offering in

France's partial privatisation programme

Given the pressures to raise money from the sale of state assets, investment bankers are confident that the privatisations which were shelved or delayed this year (Procordia of Sweden, Rhône-Poulenc of France, Repsol of Spain) will be dusted down and re-scheduled for 1993.

Among the emerging markets, Mexican issues dominated those from Latin America, but the steady flow floundered in the summer as the Mexican stock market tumbled and international investors found they had had their fill of Mexican paper, especially when they started to see share prices fall. Some investors, who had participated in a \$600m equity offering by Cemex, the Mexican cement company, were annoyed when the money was used only a few months later to invest in Spain rather than in the domestic market.

Mexican companies raised a total of \$3.02bn against \$3.53bn in 1991.

Japan plans new futures index to curb criticism

By Emiko Terazono in Tokyo

JAPAN'S Ministry of Finance yesterday announced plans for a new stock futures index, in an effort to avert criticism over futures and options trading, in which foreign brokers are particularly active.

Local criticism, that stock futures and options trading creates volatility in the underlying stock markets, prompted the ministry's move to review the Nikkei average of 235 leading stocks, which is a simple average of 235 stocks and does not take into consideration the number of shares outstanding. The ministry is now proposing a capitalisation weighted index, which takes into account the number of shares outstanding, to replace the Nikkei 225 futures index, which is seen as easily manipulated. The ministry is also considering rule changes and introduction of a "circuit-breaker" system.

Debate on the impact of derivatives trading has flared over frictions between large and small brokers, Japanese and foreign houses, some of which have made large profits from derivatives, and between the Tokyo and Osaka stock exchanges - Osaka has a thriving futures market and Tokyo does not.

Argument has focused on the

composition and volatility of the Nikkei 225 index, which measures cash prices in Tokyo and is used as the basis for derivatives trading in Osaka and overseas exchanges, which list the Nikkei 225 futures.

Some traders have tried to use the announcement as a marketing slogan, promoting shares which are under-represented by weight on the Nikkei 225 index. Ministry officials said stocks on the new index had not been decided.

The introduction of the new index is likely to create friction between the Japanese and overseas exchanges, such as Singapore International Monetary Exchange, and the Chicago Mercantile Exchange, for which the Nikkei 225 futures index is a lucrative product. Simex said futures trading of the Nikkei 225 futures index rose 395 per cent during the January to November period. However, Japanese officials said they would need to request overseas exchanges to switch to the new index.

Since the market crashed in 1990, Japanese have blamed foreign brokers, the most adept in dealing in derivatives markets.

Smaller Japanese houses, which lack the expertise or the capital to trade in derivatives, have indicated resentment towards the larger houses.

Schlesinger hint on German rate reduction sparks rally

By Richard Waters in London and Patrick Harverson in New York

PRICES in most of Europe's government bond markets jumped sharply yesterday as Mr Helmut Schlesinger, Bundesbank president, appeared to hold out the hope of substantial further reductions in German long-term interest rates.

The thinness of the pre-holi-

day markets accentuated the movements, which were widely seen as an over-reaction.

Mr Schlesinger's reported comment that long-term yields in Germany could fall to below 6 per cent in the current interest rate cycle helped to push prices on 10-year bunds up by as much as two-thirds of a point. Yields have fallen by

BENCHMARK GOVERNMENT BONDS

Coupon	Rate	Price	Change	Yield	Week ago	Month ago
AUSTRALIA	10.000	100.02	108.8072	-0.001	8.94	8.91
BELGIUM	8.750	106.02	105.2000	+0.350	7.94	8.01
CANADA	8.500	104.02	104.4000	+1.100	7.82	8.08
DENMARK	9.000	117.00	99.5000	+0.400	9.08	8.98
FRANCE	8.500	109.07	101.3375	+0.453	8.08	8.22
GERMANY	8.000	110.02	102.2750	+0.700	8.15	8.23
ITALY	12.000	109.02	94.1500	+0.265	13.921	13.82
JAPAN	No 119	100.00	101.4315	-0.075	4.52	4.53
NETHERLANDS	8.250	106.02	105.9300	+0.119	4.58	4.63
SPAIN	10.300	106.02	98.5000	+0.950	12.37	12.45
UK GILTS	10.000	116.00	106.30	+0.32	7.38	7.18
US TREASURY	8.375	108.02	97.28	+0.32	8.68	8.79
ECU (French Govt)	8.500	103.02	98.7500	+0.610	8.70	8.84

Source: Euromoney

ECU (French Govt) 8.500 103.02 98.7500 +0.610 8.70 8.84

London closing, New York morning session

Gross annual yield (including withholding tax at 12.5 per cent payable by non-residents)

Prices US, UK in 32nds, others in decimal

Technical data/ATLAS Price Sources

FT FIXED INTEREST INDICES

	Dec 22	Dec 21	Dec 18	Dec 17	Dec 16	Dec 15	ago	High	Low
GovSecs(WK)	93.80	93.54	93.73	93.67	93.57	96.48	98.54	95.11	95.11
Foat Interest	109.21	109.05	109.02	108.96	108.61	98.71	110.26	97.15	97.15
Daxia 100: Government Securities 157/100%: Foat Interest 96.87									
* for 100% Government Securit High since compilation: 107.40 (9/1/23), low 94.48 (3/6/15)									
* Interest High since compilation: 110.25 (12/11/22), low 96.53 (5/1/78)									
GILT EDGED ACTIVITY									
Indices*	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13
GB Edged Bargaes	78.8		100.0	94.3	102.4		113.2		
5-Day average	97.7		102.8	103.0	107.0		112.2		113.5
* SE activity indices released 7874									

Breaking tradition with a new concept

Peggy Hollinger reports on Era Group's move into the home entertainment field

LITTLE did Tony Fay know as he wended his weary way home one Friday night last month, that the small hobby and games company of which he is chairman was about to attract some serious attention from the City. In the space of seven days the share price of Era Group, the specialist retailer, jumped 85 per cent - for no apparent reason.

After a bit of sleuthing, the board came to the conclusion that pre-Christmas press coverage of the home entertainment sector had sparked interest in the shares. They now stand at 32p, compared with 13p in November.

Long-time shareholders in Era Group, owner of Beattles, Temo and the toy and model distribution business, Kohnstam, are likely to welcome this little bit of Christmas cheer. For almost three years, the shares have languished at significantly less than half a 1988 high of 91p.

However, the company's management hopes that the most recent price movements might be the justification they have long sought for their revamped retailing strategy. Era, best known for its traditional model and toys business, Beattles, aims to tap into the potential of the home entertainment market with the recently-launched Virtual Reality brand name.

The company hopes to carve out a niche in the sale of the most advanced computer and console games, as well as the latest technology in interactive compact disc and video equipment. Space is being allocated and appropriately stocked for either young or old customers - in both Beattles and Temo, the up-market camera and video retailer for the Virtual Reality concept.

Mr David Henley, chairman of the retail division, says the brand strategy should put Era in a prime position to sell the actual virtual reality products - interactive computer worlds seen through a helmet - when they come to Britain in 1995. Eventually, the concept could even be used to

launch a new retail chain.

Mr Henley, who has been with Beattles since the 1980s, explains the logic behind the strategy. "The key is not to lose the thing you are good at, but to develop early enough the things that are coming next," he says, citing the development of Beattles from second-hand model railway merchant to mass market toy and hobby retailer.

For him, and the board, the retail businesses had an obvious link in the potential for domestic electronic games.

The strategic switch is the latest chapter in a corporate history which has been anything but calm. In the five years since it was transformed by acquisitions from a small company to specialist retailer, Era has had three different managements.

The most recent board, chaired by Mr Anthony Fay, took over in April 1990 following an acrimonious annual general meeting and the unexpected exit of the controversial Mr Murray Gordon as chairman.

There is little love lost between Era's present management and its predecessors. For the past two years, Mr Fay and his team have been struggling to recover from the fiasco of the loss-making Lextertan furniture business, which left the group with a crippling debt and a precarious relationship with its bankers. Lextertan alone had been responsible for the group's sharp drop in profits from £4.6m to £681,000 in 1989.

The sale of Lextertan, for the nominal sum of £1, in 1990 ended up costing Era Group a grand total of £7m, according to Mr Fay. However, he maintains the bad times are now largely behind the company.

Costs have been cut substantially and Era now operates on a just-in-time basis - ie, without warehouses - for its 99 retailing outlets. Era has also successfully re-established its relationship with its bankers, Barclays, although average gearing is still high at



Beattles toy and model store in London's High Holborn: entering a new stage in its development

more than 100 per cent.

For the first time since 1990, Mr Fay says, the board has been able to sit back and work on a strategy for its three divisions.

Industry observers and analysts are less convinced that the group will be able to make its new strategy work. "They have got it right," says Jeremy Allen of Kleinwort Benson, "but they are still bearing the legacy of the difficult years, in the form of a balance sheet with too much debt."

Others, such as Mr Jim Douglas, editor of GamesMaster magazine, cite the aggressive programme at Dixons, which has devoted space in an estimated 250 stores to computer games, compared with Era's 80 stores with virtual reality branding. Dixons and Currys together dominate the £500m-a-year computer games market, and being far larger, have much greater buying power, he says.

Some analysts wonder whether the new strategy is different enough in a highly competitive market. "Will it attract a sufficient number of people to walk through the door?" asks Mr Richard Hickinbotham of SG Warburgs.

Messrs Fay and Henley reject the criticisms. They are horrified by comparisons with their bigger rivals, claiming they do not compete with Dixons or Currys. Era's strength will be a highly-trained staff, they say, and more advanced products.

Mr Henley adds that the group is selling a concept which will take time to bear fruit. "We are trying to sell the concept, not of games for today, but of games for tomorrow," he says. On one thing the analysts and management agree. Profits are expected to fall further in the current year, which ends on December 31. Forecasts range from £700,000 to £1.7m.

but all depends on the crucial Christmas period when Era makes some 30 per cent of its annual sales. The evidence so far points to a patchy performance.

Finally, there is the question of just how the company will bring down its debt and fund any expansion. A rights issue alone while the shares are so low - even after the recent rally - is unlikely, according to Mr Allen of Kleinwort Benson. "I would have thought they might wait for something more positive to add a rights issue to - like, for example, an acquisition."

Mr Fay is suitably coy about tackling a new purchase, although he will not rule out the possibility of a move in the UK. "There are lots of expansion prospects," he says. "But you need cash, location and the management resource." Era, he adds, intended to enhance all three "as we go along".

DCC offer values Wardell Roberts at £17m

By Tim Coone in Dublin

DCC, Dublin-based industrial holding group, has made a recommended bid for Wardell Roberts, the Irish snackfood and healthfood distributor, just a week after backing a £24m management buy-out of Printech, a printing supplier to the computer industry.

The cash offer at 75p per share represents a 25 per cent premium over the last dealt

price of 60p and values Wardell at £17.3m.

DCC already holds a 29.9 per cent stake in the company. The buy-out vehicle will be Oare, a DCC shelf company, and 20 per cent of its shares will be held by existing managing shareholders in Wardell.

Guaranteed loan notes linked to the Dublin interbank rate (Dibor) are available in lieu of cash.

Mr Jim Flavin, chief execu-

tive of DCC, said that the bid was part of DCC's strategy to create "a focused industrial and financial holding company".

He said that DCC had built up cash reserves of £35m over the past 18 months "and the time has come to invest that".

Shares in both Printech and Wardell Roberts have been languishing and their continued listing on the London and Dublin stock exchanges "are not

serving shareholders' or the companies' interests in any way", he said.

He believes that both will show better profit performance as part of the larger group, rather than as stand-alone second-line companies with little market interest being shown in them.

Wardell Roberts joined the unlisted securities market in 1986, and obtained a full listing in October 1991. Its pre-tax

profits for the last financial year were £2.4m on a turnover of £145.1m. Its share price has fallen by half since the beginning of the year.

Three weeks ago DCC spent £14.9m in increasing its stake from 8.2 per cent to 11 per cent in Fyffes, the UK and Irish fruit and vegetable wholesaler, buying the additional 7.7m shares from the McCann family, which sold them to repay borrowings.

NEWS DIGEST

Brake Bros placing to raise £8.7m

BRAKE BROS, a supplier of frozen foods to the catering trade, is placing 2.23m new ordinary 10p shares at 380p each to raise £8.7m net. The funds will be used for the continuing development and further expansion of the business.

The new ordinary shares - representing a 5 per cent increase in Brake Bros' equity - have been placed by UBS Phillips & Drew. Dealings are expected to commence on December 30.

Hope for Polly Peck Cypriot settlement

Mr Michael Jordan, an administrator of Polly Peck International yesterday expressed hope of a settlement next year on the assets of the collapsed conglomerate in the Turkish part of Cyprus.

"We hope there will be in early 1993 a resolution on Polly Peck's problems here," he said after meeting for the first time Mr Salih Cosar, the Turkish Cypriot finance minister.

Turkish Cypriot authorities had refused to put the assets of Polly Peck and its founder Mr Asil Nadir, originally a Turkish Cypriot, on the selling block, after Mr Nadir's empire collapsed in 1990.

Polly Peck's properties include two hotels in north Cyprus, its Sunzest citrus packing unit and Uni-Pack, a cardboard box manufacturer.

Dana funding and capital proposals

Dana Exploration, the principal activity of which is the exploration for precious and base metals in Ireland and overseas, announced proposals for a fund raising together with a capital reorganisation and a reduction of capital.

The company is to raise £150,000 net by way of an open offer of 15,072,000 new ordinary shares at 1p each on the basis of two new shares for each share held.

Any shares not taken up will be placed on the market on a "best endeavours" basis by MMI Stockbrokers.

To permit the offer to proceed, a capital restructuring is necessary and a new class of shares with a par value below that of the existing ordinary 10p shares is to be issued.

This means a reduction of Dana's share capital by £174,457.

Hardman Resources and Tolltek Systems now own 58.77 per cent of Dana following an offer for Dana in August.

Inchcape expands motor operations

Inchcape, the international services and marketing group, has moved into motor operations in Scandinavia and eastern Europe with the acquisition of Haka Auto.

On January 4 it will buy the Finnish distributor of Mazda vehicles for £3m cash, and assume responsibility for the borrowings estimated at £33m.

Haka Auto has the exclusive import and distribution rights in Finland, Estonia and the St Petersburg area of Russia. In Finland it also imports and distributes Jaguar cars.

Inchcape is the exclusive importer and distributor of Mazda vehicles in France and Hong Kong and has a 40 per cent share of the Mazda UK import and distribution operation.

Batleys profits down by 26%

Batleys, the private Huddersfield-based chain of cash and carry wholesalers, increased turnover 7.5 per cent but saw pre-tax profit fall 26 per cent in the half year ended October 31 1992.

Turnover came to £239m

(£223m) while the profit worked through at £3.1m (£4.18m). Interest charges were reduced from £183,000 to £79,000.

Earnings per share were 13.71p (18.81p).

Heavy decline at Minstergate

Full year pre-tax profits of Minstergate, which is involved in property management and development, declined from £2.18m to £2.2m.

Sales for the period, to August 31 1992, jumped from £2.95m to £5.62m. Earnings per share came through at 0.72p (59.1p). Dividend pay-outs absorb £1.23m (£2.31m) leaving a loss transferred to reserves of £1.04m (£36,000).

Abbey Panels dives deeper into the red

Abbey Panels Investments, an engineer supplying the motor, aerospace and defence industries saw a further downturn in the year ended September 30.

Losses have escalated from £234,000 to £1.82m on turnover which has fallen from £18.21m to £12.36m. Losses per share have jumped from 10.9p to 65.54p. There is again no dividend - the last payment was a final of 2p in respect of 1989-90.

I&S Optimum net asset value falls

I&S Optimum Income Trust saw its net asset value fall to 89.46p at November 30 1992, compared with 95.89p a year earlier.

The trust's aim is to provide a high and growing level of income by investing in blue chip UK companies.

In the six months ended November 30 gross income came to £1.72m (£1.71m) and earnings per share worked through at 3.87p (3.94p).

The second quarterly dividend is 1.85p to make 3.7p (3.8p) so far. A minimum total

for the year of 7.4p (7.25p) is indicated.

HTV gets go-ahead for land sale

Having been granted planning permission, HTV Group announced it is now able to complete the sale of 9.3 acres of undeveloped land at Culverhouse Cross, Cardiff.

In response to an appeal by the developer, Atlantic Property Developments, the planning inspector gave his formal consent to the planning application made on December 17.

Subject to the statutory period to challenge the appeal decision, the sale becomes unconditional on March 17 1993.

On the agreement becoming unconditional HTV will receive £2.5m - the group has already received £1.5m cash - representing a surplus of £1.8m above book value.

Receivers called in at Trilion

Mr AV Lomas and Mr AJ Barratt of Price Waterhouse have been appointed administrative receivers to Trilion, the USM-quoted television production company. This follows last week's announcement that its shares had been suspended at 3p.

Kynoch capital reconstruction

Kynoch Group has called an extraordinary meeting for January 14 to consider proposals for a capital reconstruction to eliminate the deficit on profit and loss account.

That will involve cancellation of the share premium account and reduction of the ordinary capital by writing down the nominal value of shares from 25p to 10p.

The group makes and supplies medical equipment, and is involved in Shetland knitwear. In the 16 months ended December 31 1991 the holding company showed a deficit on

profit and loss account of £2.08m, and the directors are forecasting that will increase to no more than £2.89m for 1992.

It is expected the reduction should be effective in or about February, after the High Court has given sanction.

Improvement at F&C Smaller Cos

Over the six months ended October 31 1992 net asset value of Foreign & Colonial Smaller Companies recovered from 107.3p to 108.2p.

At end-October 1991 it stood at 109p.

Sir Peter Hordern, chairman, said in all the principal markets of the world smaller companies had been under pressure. But the company outperformed the stock market indices.

On the income side, dividends from investments had been better than expected although there was a few reductions. Benefit came from the fall in sterling and foreign currencies were borrowed at low interest rates.

Total revenue improved from £2.33m to £3.28m while earnings per share came to 1.68p (1.45p). The interim dividend is lifted to 0.68p (0.65p) and it is intended to pay a final of 1.16p (1.1p).

Capita varies terms for ED&M purchase

Capita, the management consultancy, information technology and building services consultancy, has reached agreement with the vendors of Estate Design & Management to vary the terms of the deferred consideration payable to them in respect of the acquisition of ED&M by Capita earlier this year.

The company has now entered an agreement to cancel the remaining deferred consideration arrangements in return for a total consideration of £706,716 which has been satisfied by the issue of 169,596 new Capita ordinary.

In Europe, a lot of people you know

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Amercad Hess	Lasmo
Apple Computer	Lehman Brothers International
Atlas Copco Airpower NV	Lloyd's of London Press
BACOB-Savings Bank	Melitta
Banco Santander	Mobil
Banco Zaragozano	MWM
Barcelona Olympics (COOB '92)	NATO
Baring Asset Management	Norwegian Civil Aviation Administration
Belgacom	Norwich Union
Benetton Formula 1	OMC Europe
BP	Opel
British Aerospace	Pechiney
British Pipeline Agency	Philips
Caja Madrid	Pilkington
Castrol	RAC Motoring Services
Caterpillar	Saab
Commission of European Communities	Sandvik
CSM	Shell
Danone	Société Générale
Davy International	South Western Electricity
Delco Electronics	Spillers Foods
Diputación General de Aragón	Statoil
El Corte Inglés	Sterpolis
Electrolux	Suizer
European Parliament	Sun Oil
European Space Agency	Swedish National Road Admin.
Exxon	Talkline
General Motors	Telefónica Servicios
Groupama	UK Civil Aviation Authority
Heineken	UK Defence Research Agencies
Iberia Airlines	UK Ministry of Defence
JCB	UKCC
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COMMODITIES AND AGRICULTURE

London copper prices rise sharply on technical factors

By Kenneth Gooding,
Mining Correspondent

COPPER PRICES rose sharply yesterday as technical factors gripped markets where trading was thin because of the approaching holiday.

Traders said there was some Chinese buying and news that Polish copper miners might join a general strike, but these had little influence — neither did renewed unrest in Zaire, once a big copper producer.

The upward surge was mainly caused by options-re-

lated activity, currency movements and by chart-watching buyers, they suggested.

LME Warehouse Stocks (As at Monday's close)	
Aluminium	+8,750 to 1,200,000
Copper	+5,075 to 64,400
Lead	+250 to 102,000
Nickel	+750 to 87,874
Zinc	+7,400 to 127,525
Tin	+975 to 15,555

Copper for delivery in three months reached \$2.277 a tonne (\$1.08 a lb) at one stage on the London Metal Exchange yesterday and it was still \$2.374 in

after-hours business, up \$17 a tonne from Monday.

In sterling terms, the price was also helped by the pound's weakness against the dollar. Three-month copper closed at \$1.49325 a tonne, up \$3.75.

Mr Ted Arnold, analyst at the Merrill Lynch financial services group, pointed to the profound effect commodity funds, managing about \$26bn, were having on traded metals markets.

"These funds tend to work primarily on technical analysis," he said.

CIS aluminium costs 'are half world average'

By Kenneth Gooding

ALUMINIUM SMELTERS in the Commonwealth of Independent States have exceptionally low operating costs, according to estimates by the Anthony Bird Associates consultancy group.

In mid-1992 these costs were about 25 US cents a lb on average — well below the \$3.6 cents average at smelters in the rest of the world, it suggests.

CIS smelters are "technically inefficient and are only made economic by astonishingly low input prices [for essential such as labour and energy]," it says in a new study of industry costs.

"This edge will disappear if the CIS continues to move towards a market type of economy," the study suggests. But "by the year 2000 only one or two of the CIS smelters will still be competitive by western standards. The rest of them won't necessarily close down, they might be kept in business to supply local demand, on a protected basis. But cost pressures will put an end to the flood of metal flowing from east to west."

Aluminium Production Costs: 1992, \$4,500 from Bird Associates, 188 Richmond Road, Kingston upon Thames, Surrey KT2 6DD, UK.

Diamond gloom lifts as Angolan smuggling eases

By Kenneth Gooding,
Mining Correspondent

THE THREAT of civil war in Angola and growing consumer concern in the US is lifting some of the gloom from the diamond market.

The flood of smuggled rough (uncut) diamonds from Angola, which was severely destabilising the market, has slowed to a trickle. Also official production by Angola's state-owned Endiama group has come to a halt following renewed tension and fighting between government forces and the Unita movement.

At one time an estimated 50,000 private enterprise diggers were picking up diamonds from dried-up river beds in Angola. The stones were smuggled out mainly to Antwerp where De Beers, which controls 75 per cent of world-wide rough diamond sales, attempted to keep the market stable by buying them for its stockpile.

At the height of the rush De Beers' buyer in Antwerp mopped up nearly \$40m-worth in one week and the group estimates about \$500m of stones were smuggled out of Angola this year, representing a sudden 10 per cent addition to world supply.

However, most of the unofficial diggers disappeared when political tension in Angola was

renewed after elections in September and the Unita forces withdrew to their stronghold in the southern provinces, including the Lunda Norte diamond district.

After fighting broke out last month, sub-contractors who mine on Endiama's behalf withdrew all their personnel. Last year Angola's official diamond production was in the region of 1m carats, worth about \$100m.

Coming at a time when demand was weakening in the biggest diamond markets — the US and Japan — because of recession, the Angolan smuggling has been putting a severe strain on De Beers' financial resources and its ability to stop a precipitous fall in rough diamond prices. De Beers has told the producers whose stones it markets that it can take only 75 per cent of the agreed quota and has also severely restricted the diamonds releases to the market via merchants at its monthly "aights".

Some traders suggest that, consequently, rough diamond prices are getting firmer and there are even some shortages of particular types of polished stones. "Rough [diamond] buyers say the market is now in balance rather than a buyer's market as it was a few weeks ago," said Mr Mark Cockle, editor of the Diamond International magazine.

Peruvians feast on guinea-pig and chips

One thoroughbred specimen can now serve four hungry people, writes Sally Bowen

A QUARTER guinea-pig and chips is an increasingly common menu item in the small towns of the high Peruvian Andes. Nothing remarkable in the protein source — local inhabitants have been eating guinea-pig with relish for thousands of years. But because of its size, a whole animal has traditionally been the portion.

Now a well-researched programme of genetic improvement plus an imaginative initiative by international aid agency Care are starting to bear fruit, try-dwellers — and provide much-needed animal protein in the Andean diet.

"Guinea-pig meat is excellent food value," says Mr Jose Sarria, head of the research programme at Lima's national agrarian university of La Molina. "It's higher in protein and lower in fat than beef, pork, lamb or chicken." The Andean farmers and their families, who are primarily responsible for the estimated 60m guinea-pigs that Peruvians consume each year, just know it's delicious.

Even though the guinea-pig, or "cuy" as it is most commonly known in Peru, is first cousin to the rat it has a different number of chromosomes. Mating between the species is impossible, experts assure the squeamish.

Cuyes are traditionally to be found scurrying about the dirt floors of Andean kitchens, eating whatever scraps of food and vegetable peelings come their way. Always handy, they get plucked and thrown into



A selectively-bred animal can tip the scales at 1.75 kg, as much as a good-sized chicken

the pot whenever there is reason for a party — Andean weddings, local saints' days and visits from relatives are never celebrated without cuy.

But this type of small animal management, or mismanagement, has caused genetic deterioration in a species native to the Andes. When animals of all ages and sizes and both sexes run free, in-breeding swiftly becomes a problem, which the exceptionally short biological cycle of the cuy exacerbates. Females can come on heat as early as 25 days old, but they will produce small and often weak litters that their own underdeveloped bodies are incapable of feeding adequately.

Standard Andean grasses, maize stalks or potato peelings, while convenient, do not produce what the locals term "the giant cuy". Mr Sarria says the improved guinea-pig needs a diet of 18 per cent protein. Even alfalfa provides only a small percentage of that.

Finally, traditional manage-

ment means that a process of inverse selection occurs. For celebrations since the times of the Incas, the best animals have found their way to the table, while the punier are left to continue the race.

In the mountains of the Callejon de Huaylas, known as "Peru's Switzerland" for its eternally snow-covered, 22,000 ft peaks, Care has been sponsoring a cuy breeding programme in conjunction with the regional government since 1989. It is estimated that 45 per cent of local children in the beautiful but poor valley are chronically under-nourished.

So far nine local communities are proud owners of a model breeding shed where 400 animals mate, are properly fed, weighed and watched over. Another 70 communities benefit from technical advice at an individual family level.

Most of the community projects are run by the "mothers' clubs" of village women. In the

small town of Tinguia, a countrywoman shows off her animals. "See, this one we'll keep for breeding. She has short hair and dark, bright eyes. This one here does not look so good — it will be sold for the pot."

The animals are kept in separate concrete-built "pens" holding about ten, where they can be better monitored, selected for breeding and quickly isolated if they fall sick. A prize specimen tips the scales at 1.75 kg, the weight of a good-sized chicken.

In Cruz de Mayo, another Andean village, high above Caraz, caring for the community's rotating stock of 400 cuyes is a new job for a villager who now admits to being "useless for hard labour in the fields". He is proud to pass on his newfound expertise, showing how young animals are sexed and separated at one month old. Ten females are put to one male, "but not until they are 90 days old," he explains. "That way they make better, fitter

babies."

Eighty villagers share management of the Cruz de Mayo "cuy-house". There is a rota for cleaning out the pens, for cutting and transporting the alfalfa or maize stalks. A separate room contains a small stock of veterinary products for treatment of occasional skin diseases or parasites.

"A little bit of technical help makes a huge difference," explains Tulio Triveno, Care's local director as he distributes simple illustrated leaflets which explain the basics of cuy care. "But the cuy is a hardy beast, much more resistant to the tough climate, the altitude and to infections than the rabbit."

There's still a long way to go. Ninety-nine per cent of Peru's 22 estimated 1m guinea-pigs are still reared in the bad old ways. Mr Sarria's goal is to raise production to a minimum of eight healthy young per female per year.

And it is just possible that this tiny animal, Andean staple could become a delicacy for jaded palates abroad. The cuy is already kept for food in several North African countries and the Agrarian University has recently dispatched samples of the "improved" animal to Cuba and parts of the US that have large colonies of Peruvian exiles.

"We think that the guinea-pig, kept in most developed countries for laboratory experiments, is a real food option in many parts of the world," says Mr Sarria.

Banana growers breathe more easily after EC deal

Canute James reports on Caribbean reactions to last week's compromise agreement

CARIBBEAN BANANA producers are breathing much more easily in the wake of last week's compromise agreement by the European Community's farm ministers on a regime for marketing the fruit in Europe. The region's political and farm leaders have said, however, that the market for Caribbean produce in Europe is still threatened unless production costs can be reduced and quality improved.

The Caribbean industry has concluded that its two main concerns of access and price have been met by the formula agreed by the farm ministers, and that the region's fruit will still be competitive against the cheaper, so-called "dollar area" fruit from Latin America.

Caribbean and African producers had feared that they would lose their market share to the more competitive fruit when a single European market is cre-

The presidents of eight Latin American banana-producing nations have asked the EC to revoke an agreement restricting their banana sales to community countries from next year, reports Ruster from San Jose, Costa Rica.

"We urge the European Community to revoke the decision taken, in order to renew dialogue and negotiate with our countries the new conditions of access for Latin American bananas in accordance with the norms and commitments of the Uruguay Round and GATT," the presidents said in a joint statement handed to the British Embassy in San Jose.

Latin American nations expect to export some 2.7m tonnes of bananas to EC countries in 1992.

based on a protocol in the Lomé Convention, an aid and trade treaty, under which the EC promises not to place to its banana producers "in a less favourable situation than in the past or the present".

The Caribbean producers feel that, with the dollar area fruit attracting duty of Ecu100 (£80) a tonne on its 2m tonnes-a-year quota, the region has a virtually guaranteed access for the remaining 1.5m tonnes a year that the EC will need, as

the Ecu850-a-tonne duty that Latin American bananas will attract if they breach the quota will make the fruit too expensive.

Mr James Mitchell, prime minister of St Vincent, said that with the new EC regime coming into effect in July, the Caribbean will have to improve the quality of its fruit. One repeated criticism of Caribbean fruit has been that its quality has been consistently lower than that of the Latin American fruit. "The price which we can get will be better for good quality," said Mr Mitchell.

Dame Eugenia Charles, the prime minister of Barbados, feels that there is still a possibility that, even with the tariff, Latin fruit could be cheaper in Europe, bringing down prices paid for imports from the African, Caribbean and Pacific (ACP) group of countries.

The Jamaican government appears to have more reserva-

tions than others about the new arrangement, and plans consultation with its partners in the region, although they have already said they are satisfied. Mr David Coore, Jamaica's foreign trade minister, said there will be consultation with the Windward Islands' governments, and with banana distributors in the UK "to determine whether this arrangement goes far enough and what further action, if any, we may need to take to protect our vital interests in this matter".

Jamaican farm leaders, however, appear more optimistic than the government. "We were hoping to have a quota and assured entry, but with what has been allocated the Caribbean and other ACP producers, we will be able to survive," concluded Mr Bobby Kistinger, president of the Banana Growers Association of Jamaica.

MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

ANTIMONY: European free market, 99.5 per cent, \$ per tonne, in warehouse, 1,670-1,710 (1,635-1,700).

BISMUTH: European free market, 99.99 per cent, \$ per lb, in warehouse, 2,200-2,400 (2,250-2,450).

CADMIUM: European free market, 99.5 per cent, \$ per lb, in warehouse, 0.45-0.55 (same).

COBALT: European free market, 99.5 per cent, \$ per lb, in warehouse, 15.50-16.00 (15.50-16.20).

MERCURY: European free market, 99.99 per cent, \$ per 76 lb flask, in warehouse, 120-140 (same).

MOLYBDENUM: European free market, drummed molybdenum oxide, \$ per lb, in warehouse, 1.85-1.95 (same).

SELENIUM: European free market, 99.5 per cent, \$ per lb, in warehouse, 4.80-5.50.

TUNGSTEN ORE: European free market, standard min. 65 per cent, \$ per tonne unit (10 kg) WO₃, cif, 40-50 (same).

VANADIUM: European free market, 99 per cent, \$ a lb V₂O₅, cif, 1.75-1.85 (same).

URANIUM: Nuxco exchange value, \$ per lb, U₃O₈, 7.90 (same).

WORLD COMMODITIES PRICES

MARKET REPORT

London's robust **COFFEE** futures closed near a fresh 20-month high as the strong upward trend showed no signs of abating. Dealers said the market's advance continued to be fuelled by the strength of New York where key resistance levels were being regularly breached. However, New York arabica futures were only moderately firmer by midday as profit taking emerged following the sharp gains of the past two days. **GOLD** reversed small early gains to hover near support around \$332 a troy ounce with the market nervous of a

possible repeat of Monday's \$4 sell-off. Dealers said trade was thin. "Under normal circumstances the volume traded would not have moved the market so much," said one trader. **SILVER** was in retreat in London after selling at the Comex opening. One dealer said some long-term operators had returned to the market to buy at \$370, but others said recent rallies in world equity markets could indicate industrial recovery, lifting the silver price.

Compiled from Reuters

London Markets

SPOT MARKETS	
Cash oil (per barrel FOB)	£ or +
Dubai	\$16.40-6.00/-0.25
Brent Blend (delivered)	\$16.15-1.00/-0.05
Brent Blend (Feb)	\$16.50-8.25
WTI (1st oil)	\$16.85-8.00/+0.05

Oil products	
DNVE prompt delivery per tonne CIF	£ or +
Premium Gasoline	\$191-193
Gas Oil	\$190-191
Heavy Fuel Oil	\$179-180
Naphtha	\$179-180
Petroleum Argus Estimates	

Gold (per troy oz)	\$332.30
Silver (per troy oz)	\$370.90
Platinum (per troy oz)	\$558.50
Palladium (per troy oz)	\$107.00
Copper (US Producer)	104.5c
Lead (US Producer)	94.85c
Tin (Kuala Lumpur market)	14,28c
Tin (New York)	2553.5c
Zinc (US Prime Western)	82.0c
Cattle (live weight)	116.85p
Sheep (live weight)	94.22p
Pigs (live weight)	85.71p
London daily sugar (raw)	\$206.5w
London daily sugar (white)	\$241.0w
Tate and Lyle export price	\$241.0w
Barley (English best)	Unq
Maize (US No 3 yellow)	\$155.5
Wheat (US Dark Northern)	Unq
Rubber (Jaw)	63.00p
Rubber (Feb)	63.25p
Rubber (KL RSS No 1 Jan)	227.5m
Cocoon oil (Philippines)	\$400y
Palm Oil (Malaysian)	\$320.2u
Copra (Philippines)	\$250.0
Soybeans (US)	\$172.0
Cotton "A" index	\$4.55c
Wooltops (54s Super)	397p

£ a tonne unless otherwise stated, p-pence/kg, c-cents/lb, r-rings/lb, w-Jan/Feb, u-Feb/Apr, y-Mar/May, m-May/Jul, Most Commission average futures prices, * change from a week ago, London physical, 30CF Rotterdam, * Bullion market close, m-Malaysian cents, * 48-hour prices are new weight prices, Gas Oil prices for 31/12/1992 174-175 down 2

SUGAR - London POX (\$ per tonne)	
Raw	Close Previous High/Low
Mar	181.00 184.00 181.00
White	Close Previous High/Low
Mar	245.50 245.00 245.00 244.00
May	247.50 247.50 247.50 247.00
Aug	252.50 252.50 252.50 252.00
Oct	241.50 241.00 241.00
Dec	245.00 244.50 244.50
Mar	246.00 245.00 245.00

Turnover: Raw 7 (17) lots of 80 tonnes. White 118 (222) Peds: White (FY per tonne): Mar 1348.33 May 1377.55

CRUDE OIL - IPE \$/barrel	
Latest	Previous High/Low
Feb	18.51 18.54 18.55 18.47
Mar	18.50 18.50 18.50 18.55
Apr	18.51 18.71 18.50 18.60
May	18.55 18.73 18.70 18.83
Jun	18.69 18.70 18.72 18.87
Jul	18.70 18.70 18.72 18.88
Oct	18.75 18.80 18.75
IPE Index:	18.60 18.60
Turnover:	16559 (22450)

GAS OIL - IPE \$/barrel	
Close	Previous High/Low
Jan	17.50 17.70 17.70 17.45
Feb	17.50 17.70 17.70 17.75
Mar	17.75 17.75 17.70 17.50
Apr	17.50 17.50 17.50 17.50
May	17.50 17.50 17.50 17.50
Jun	17.50 17.50 17.50 17.50
Turnover:	10841 (8708) lots of 100 tonnes

COTTON
Spot and shipment sales in Liverpool for the week ended 18 December amounted to 250 tonnes against 229 tonnes in the previous week. Subsidized offshore did not bring many operations. Support was forthcoming in certain specialist sales notably in the Central Asian and Mali range.

JUTE	
Jan/Feb: C and D Dundee-ETC USD 360	
BW USD 380, BT USD 326, BW USD 340	
C and F Antwerp: BT USD 340, BW USD 340	
340, BT USD 315, BW USD 315	
Turnover:	7 (7) lots of 3,200 kg

COCOA - London POX \$/tonne	
Close	Previous High/Low
Dec	857 844 855 845
Mar	857 858 858 859
May	860 860 860 861
Jul	716 699 715 707
Sep	717 714 729 718
Dec	754 735 754 736
Mar	775 758 774 759
May	791 779 790
Jul	808 788 804 802
Sep	821 800 820 815

Turnover: 5130 (8475) lots of 10 tonnes. ICO Indicator prices (500s per pound) for Dec 21: Comp. daily 68.43 (68.05) 15 day average 65.58 (65.11)

COFFEE - London POX \$/tonne	
Close	Previous High/Low
Jan	1098 1042 1098 1043
Mar	1081 1067 1082 1068
May	1055 1030 1059 1028
Jul	1022 1016 1025 1011
Sep	1029 1025 1030 1030
Nov	1027 1022 1041 1028

Turnover: 7096 (3878) lots of 5 tonnes. ICO Indicator prices (500s per pound) for Dec 21: Comp. daily 68.43 (68.05) 15 day average 65.58 (65.11)

POTATOES - London POX \$/tonne	
Close	Previous High/Low
Apr	83.5 83.0 83.5 83.0
May	71.0 70.0 70.5 70.0
Turnover:	35 (41) lots of 20 tonnes

SOYABEAN - London POX \$/tonne	
Close	Previous High/Low
Feb	154.00 151.00
Turnover:	0 (0) lots of 20 tonnes

FIBRE - London POX \$/100index point	
Close	Previous High/Low
Jan	1315 1309 1315 1310
Apr	1275 1272 1275
May	1278 1275
Turnover:	44 (50)

GRAINS - London POX \$/tonne	
Close	Previous High/Low
Jan	135.40 134.25 135.40 135.25
Mar	136.65 136.00 136.65 136.50
Jun	112.25 112.25
Barley (English best)	Unq
Jan	130.25 130.25
Mar	133.00 133.00
Turnover:	Wheat 57 (71), Barley 88 (4)
Turnover:	lots of 100 tonnes

PINE - London POX (Cash Settlement) p/q	
Close	Previous High/Low
Jan	102.0 102.0 102.5
Mar	102.0 102.0 102.5
Turnover:	7 (7) lots of 3,200 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)	
Close	Previous High/Low
Aluminium, 99.7% purity (\$ per tonne)	1236-7 1236-7 1231-1.5
Cash	1255.5-60.0 1251.5-2.0 1270/1252
3 months	1255.5-60.0 1251.5-2.0 1256-5-6.0
Copper, Grade A (\$ per tonne)	1258-9 1258-9 1258-9
Cash	1454-5 1453-5 1453-5-5.0
3 months	1458-5 1453-5 1453-5-5.0
Lead (\$ per tonne)	1482-3 1482-3 1482-3
Cash	300-1.5 291.75-2.25 297.5-7.75

LONDON STOCK EXCHANGE

Futures drive shares to new heights

By Terry Byland,
UK Stock Market Editor

PRE-CHRISTMAS trading on the London stock market reached new heights yesterday, spurred on by a strong rise in stock index futures which prompted heavy arbitrage business between the March contract and the underlying FT-SE 100. Although the FT-SE 100 index continued its advance, gaining a further 1 per cent to 2,842.4, the futures-related activity turned the spotlight back on to the blue chip leaders. At the close, the

FT-SE 100 Index was 34.3, or 1.2 per cent, higher on the day at another new peak of 2,842.

Yesterday's buyers appeared to be a shade more speculative than over the past week. In addition to the securities houses, busily arbitraging between futures and equities, buying came from across the range of investors, now convinced that economic revival is on the way.

Investors, also encouraged by firmness in other European bourses, appeared afraid of missing the turn in the market; some analysts now pre-

Account Dealing Dates			
First Dealings:	Nov 30	Dec 14	Jan 4
Option Dealings:	Dec 10	Dec 30	Jan 14
Last Dealings:	Dec 11	Dec 31	Jan 15
Account Day:	Dec 21	Jan 11	Jan 25

*New time dealings may take place from 12.00pm on business days earlier.

dict a Footsie level of 3,500 next year.

Equities looked uncertain at first in spite of a heavy load of overnight tax-related deals. But after the Footsie had dipped 2.3 to 2,805.4, the

futures market opened and a substantial premium on the March Footsie contract sent the blue chips racing ahead.

Later, the market took a favourable view of a modest rise in exports disclosed in the UK trade figures for November. Sea volume of 81.1m shares compared with 81.4m on Monday when retail, or customer, business was worth £1.46bn.

● The March contract on the FT-SE index traded at a premium of around 46 against the underlying stock market throughout the session as securities houses and traders

sought to position themselves for the new year. Business was extremely heavy, with the March total approaching 9,000 lots in late dealings. The final reading showed March at a 45 premium to cash, compared with an estimated 19 fair value premium, the calculation which allows for dividend flows and financing costs.

Increased business in traded options lifted total contracts to 42,365 from Monday's 38,811, but turnover in Footsie options dipped to 11,090 lots. National Power (3.034) headed individual stock contracts.

Mixed views on BA news

THIS announcement by British Airways that it had pulled out of its plan to take a \$750m stake in USAir was expected and the share price shrugged off the news. Traders attributed a net rise of 5 to 30p to the seasonal market, commenting that, at any other time the shares would have fallen.

Smith New Court, which on Monday hardened its cautious stance on BA, believes the shares are overvalued. The house suggested that termination of the US deal should have prompted a 20p slide in the stock. Smith said that in terms of BA's drive to be a global player, the planned link-up with USAir was more important than last week's deal with Qantas.

However, County NatWest feels that following the recent agreements with Qantas, TAT and Danair, the proposed deal with USAir might have

imposed a heavy financial burden on BA, perhaps prompting a rights issue.

Redland strong

Building materials group Redland spearheaded a general burst of outperformance of the market by some of the leading building issues, with the stock closing 34, or 8.7 per cent, higher at 424p. The Footsie rose 1.2 per cent. Turnover in the shares reached a higher than usual 3.5m shares.

Dealers said the stock was up and running from the outset, with a number of leading brokers adopting the view that it had underperformed for far too long, reflecting widespread concern about the German economy.

Worries about the security of the final dividend, expected next spring, were overdone, they said, adding that the group's German business, trading under the Braas name, had performed better than expected during the past couple of months.

Holiday wars

The two leading quoted air-tour operators in the UK, Air-tours and Owners Abroad, led ground after news that Thomson Holidays, market leader of the package holiday business, had fired the first shots in the 1993 package holiday war.

But many leisure analysts adopted a relaxed view of the move by Thomson, pointing out that the Christmas period is traditionally the starting point for special offers from the holiday companies and that the Christmas period sees the four companies issue the second editions of their summer holiday brochures.

Nevertheless, there was marginal disappointment around the market at the price news, given the bullishness of leisure analysts over the recent deal between Owners Abroad

FINANCIAL TIMES EQUITY INDICES										
	Dec 22	Dec 21	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11
Ordinary share	2184.5	2157.7	2147.5	2082.5	2081.5	1911.3	2194.5	1970.0		
Ord. div. yield	4.28	4.33	4.36	4.44	4.46	5.08	5.34	4.34		
Earning yield %	5.57	5.50	5.57	6.09	6.10	7.61				
P/E ratio	21.74	21.54	21.41	20.29	20.29	16.45	21.74	15.79		
P/E ratio	20.05	19.89	19.76	19.38	19.32	15.52				
Div. Yield	64.9	65.5	65.5	65.4	64.0	143.9	186.6	63.0		

Nov 1992 ordinary share index since compilation, high 2184.5 (22/12/92) - low 49.4 (26/4/40)
Div. Yield index since compilation, high 72.4 (10/12/92) - low 45.3 (21/1/71)
Basic ordinary share 177/25, Gold Mines 12/5/55

Ordinary share weekly changes										
	Dec 22	Dec 21	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11
2184.5	2167.3	2165.6	2162.5	2169.5	2176.1	2177.4	2181.9	2180.9	2189.5	2157.8

Excluding inter-market purchases and overseas turnover

London report and latest share index
Tel. 0891 123001. Calls charged at 36p/minute cheap rate. 48p at all other times.

and the German group LUT. Some analysts remained highly bullish of the sector. "We still view the holiday sector as undervalued," said Mr Bruce Jones at Smith New Court. Owners declined to 82p before closing a net 3 off at 85p, while Air-tours closed the same amount down at 275p, having dipped to 270p.

Confusion over current year profits forecasts from some brokers and heavy turnover in the market at the outset of trading caused a sharp early retreat in Ladbroke shares. They later rallied to close a net 5 easier at 184p. Turnover of 23m was swollen by tax-related bid and breakfast trades totalling 18.5m shares.

Auctioneer Christie's International was bid up 11 to 145p on news that the commission charged to buyers at a number of its branches is to be raised by 5 per cent to 15 per cent from March 1.

Conglomerate Hanson saw unusually heavy turnover of 16m shares as a two-way pull on the stock left it only 1p firmer at 229p.

British Aerospace turnover was also particularly heavy, at 9.9m shares, and the stock was one of the few casualties in a healthy market as profit-takers

expected. The shares were down 11 at one stage but finished 1.2 better on the day at 781p.

SmithKline was marginally easier at first. Then, news that the company had reached agreement for the sale of a portfolio of its men's personal care products in the US, Puerto Rico and Canada helped sentiment and the shares closed 11 stronger on balance at 525p.

The heaviest turnover (10m shares) in the banks sector was in HSBC London-registered stock, which edged up 4 to 477p. Barclays (4.8m) moved ahead 10 to 384p in spite of BZW increasing its forecast of losses for the current year to around £110m.

Standard Chartered shares raced higher, closing 24 stronger at 568p on good turnover of 2.5m after the bank said it had sold almost all of its Hong Kong headquarters for £74m. The infusion of funds would give a significant boost to the bank's tier one and tier two capital ratios, specialists said.

Merchant banks raced ahead, with the recent surge in stock market indices and activity triggering thoughts among the institutions of a new year rush of takeover bids and rights issues, all of which are seen as hugely profitable.

Merchant banks with marketmaking arms perceived as having performed exceptionally well during the recent burst of buying in London's equity market were in the forefront.

Kleinwort Benson forged ahead 16 to 319p on unusually good turnover of 500,000 shares, while S.G. Warburg appreciated 20 to 544p in relatively thin trading.

THE UK SERIES

FT-SE 100				FT-SE MID 250				FT-A ALL-SHARE			
2842.0 +34.3				2845.4 +28.0				1359.55 +15.86			

	Dec 22	Dec 21	Dec 18	Dec 17	Dec 16	Year ago	High	Low	1992	High	Low
FT-SE 100	2842.0	2807.7	2789.7	2740.3	2732.8	2384.4	2842.0	2281.0	2842.0	2281.0	2281.0
FT-SE MID 250	2845.4	2817.4	2788.7	2728.8	2307.1	2307.1	2845.4	2157.8	2845.4	2157.8	2157.8
FT-SE A 350	1385.1	1369.0	1375.3	1334.0	1328.1	1153.8	1385.1	1103.1	1385.1	1103.1	1103.1

	Hourly	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/Low	Low/High
FT-SE 100	2807.4	2820.5	2815.0	2814.2	2823.3	2826.5	2827.8	2833.3	2843.6	2845.4	2845.4	2807.4
FT-SE MID 250	2818.1	2826.3	2827.2	2825.3	2830.1	2834.3	2836.1	2839.0	2845.5	2845.5	2845.5	2818.1
FT-SE A 350	1368.0	1374.9	1373.6	1372.3	1376.3	1378.0	1378.7	1381.1	1385.7	1385.7	1385.7	1368.0

Gross dividend yield (ACT at 25%) FT-SE 100: 4.27%

FT-Actuaries All-Share

EQUITY GROUPS & SUB-SECTIONS										
Figures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield % (Act at 25%)	Gross Div. Yield % (Act at 25%)	Est. P/E Ratio (Act at 25%)	Yield to date	Index No.	Index No.	Index No.	Index No.

1 CAPITAL GOODS (175)	872.68	+1.6	6.43	4.91	20.25	31.00	859.22	847.27	829.58	711.21
2 Building Materials (23)	897.23	+2.7	5.67	6.02	19.25	40.39	873.50	873.50	873.50	827.21
3 Contracting, Construction (26)	721.01	+0.9	3.85	3.88	70.22	37.49	711.57	708.84	671.27	642.33
4 Electricals (9)	2452.12	+0.4	6.85	6.17	19.09	109.61	2442.61	2424.22	2331.27	2281.28
5 Electronics (22)	2364.19	+0.0	6.50	3.65	51.39	2315.76	2310.15	2281.27	2167.52	2167.52
6 Engineering-Aerospace (6)	297.04	-1.4	11.92	7.91	10.68	16.18	301.32	298.89	285.42	272.74
7 Engineering-General (43)	508.44	+0.9	7.94	4.64	16.06	17.35	498.97	497.73	477.52	477.52
8 Metals and Metal Forming (7)	226.10	+0.1	5.21	5.21	24.09	26.36	227.77	224.83	221.51	219.11
9 Motors (15)	267.51	+0.3	5.53	4.40	19.66	19.66	262.07	262.07	259.14	259.14
10 Other Industrials (18)	1994.48	+1.6	6.15	4.19	19.66	62.07	1963.42	1935.55	1914.48	1791.21
11 CONSUMER GROUP (191)	1771.19	+0.1	6.98	3.32	18.90	43.25	1754.13	1739.65	1704.77	1517.12
12 Brewers and Distillers (25)	2105.25	+0.7	7.90	3.60	15.33	34.25	2090.16	2070.64	2034.88	1927.79
13 Food Manufacturing (18)	1337.27	+1.7	7.05	3.90	15.01	54.90	1329.35	1312.79	1285.79	1199.62
14 Food Retailing (18)	2309.33	+2.3	7.56	2.98	17.22	70.26	2333.55	2279.46	2166.95	2030.63
15 Health and Household (26)	4282.37	+0.4	5.20	2.65	22.88	68.04	4266.94	4262.33	4189.74	4078.15
16 Hotels and Leisure (18)	1269.93	+0.1	6.58	5.43	19.96	46.03	1256.97	1232.08	1208.16	1133.64
17 Media (25)	1839.17	+0.5	4.1	2.82	12.32	39.40	1838.03	1812.79	1785.79	1725.79
18 Packaging, Paper & Printing (17)	792.09	+1.3	6.28	3.13	21.10	26.56	783.94	783.94	770.37	763.53
19 Textiles (11)	748.17	+1.0	6.36	4.06	19.79	23.64	740.55	723.92	707.72	672.75
20 OTHER GROUPS (116)	1435.39	+0.9	8.63	4.86	14.27	50.02	1421.00	1415.66	1391.67	1351.46
21 Business Services (17)	1531.06	+0.9	7.39	3.32	15.28	36.28	1518.03	1495.79	1474.53	1394.33
22 Chemicals (22)	1415.81	+1.0	6.48	3.17	19.44	54.80	1401.43	1392.24	1377.24	1351.46
23 Conglomerates (10)	1382.29	+1.3	8.56	13.37	54.22	136.18	1348.77	1322.04	1287.79	1257.79
24 Transport (14)	2820.55	+1.7	7.95	4.23	11.81	88.31	2774.72	2731.42	2686.28	2520.25
25 Electricity (16)	1529.32	+0.7	14.01	4.97	9.07	56.57	1522.10	1518.92	1495.64	1451.19
26 Telephone Networks (4)	1665.05	+1.2	8.01	4.11	16.24	65.69	1658.14	1652.84	1632.84	1587.17
27 Water (11)	2525.42	+0.5	14.13	4.26	7.84	122.00	2518.33	2505.18	2495.18	2410.18
28 MISCELLANEOUS (22)	2533.67	+1.3	6.00	4.00	25.05	61.03	2500.18	2474.10	2451.10	2402.10
29 INDUSTRIAL GROUP (442)	1440.57	+1.1	7.23	4.11	17.26	42.91	1425.03	1413.96	1395.91	1319.31
30 All & Gas (18)	2179.06	+1.0	6.13	5.95	21.46	103.27	2156.61	2149.65	2134.51	2121.76
31 500 SHARE INDEX (500)	1512.01	+1.1	7.12	4.29	17.61	47.27	1495.77	1484.82	1456.86	1381.86
32 FINANCIAL GROUP (82)	879.70	+1.7	-	4.99	-	33.33	865.00	857.37	845.11	843.11
33 Banks (9)	1187.26	+2.0	5.18	4.69	28.94	41.81	1163.91	1155.70	1147.79	894.21
34 Insurance (Life) (6)	1801.17	+2.0	-	5.05	-	68.18	1766.48	1759.15	1728.11	1475.51
35 Insurance (Composited) (7)	655.66	+0.7	-	4.80	-	22.58	650.95	650.63	639.14	478.43
36 Insurance (Brokers) (10)	787.54	+0.3	7.87	6.78	17.06	36.28	778.39	778.39	759.11	653.53
37 Merchant Banks (6)	491.85	+0.5	8.48	6.58	14.47	33.09	476.82	469.42	461.42	338.16
38 Property (30)	140.92	+0.9	8.68	6.58	14.47	33.09	139.32	138.72	137.82	119.13
39 Other Financial (114)	299.13	+1.7	6.70	5.60	19.56	11.63	293.98	288.35	281.38	225.41
40 Investment Trusts (67)	1328.95	+1.6	-	3.26	-	32.11	1307.83	1292.12	1275.47	1119.47
41 ALL-SHARE INDEX (651)	1359.55	+1.2	-	4.36	-	43.73	1343.64	1333.41	1309.31	1142.61

FT-SE Actuaries 350 Industry Baskets

F1-FE Actuals 350 Industry Baskets												
Hourly	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous close	change
Construction	1426.9	1433.5	1430.0	1429.7	1433.9	1436.3	1439.5	1440.5	1441.7	1442.1	1427.4	+ 14.7
Health & N	1286.2	1286.2	1283.1	1284.9	1285.9	1285.8	1288.9	1291.4	1295.5	1295.0	1290.5	+4.5
Water	1343.9	1346.2	1346.1	1342.6	1343.1	1342.1	1342.2	1342.2	1337.8	1337.8	1445.3	-7.5
Banks	1415.7	1421.5	1419.9	1421.6	1425.5	1427.6	1429.2	1432.5	1443.7	1437.4	1413.4	+29.0

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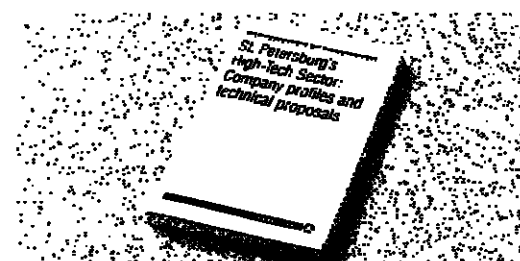
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Amgen USA	10.12	+
Amgen UK	10.12	+
Amgen France	10.12	+
Amgen Germany	10.12	+
Amgen Italy	10.12	+
Amgen Spain	10.12	+
Amgen Japan	10.12	+
Amgen Korea	10.12	+
Amgen India	10.12	+
Amgen China	10.12	+
Amgen Australia	10.12	+
Amgen New Zealand	10.12	+
Amgen South Africa	10.12	+
Amgen Canada	10.12	+
Amgen Mexico	10.12	+
Amgen Brazil	10.12	+
Amgen Argentina	10.12	+
Amgen Chile	10.12	+
Amgen Peru	10.12	+
Amgen Colombia	10.12	+
Amgen Venezuela	10.12	+
Amgen Ecuador	10.12	+
Amgen Bolivia	10.12	+
Amgen Paraguay	10.12	+
Amgen Uruguay	10.12	+
Amgen Cuba	10.12	+
Amgen Haiti	10.12	+
Amgen Dominican Republic	10.12	+
Amgen Puerto Rico	10.12	+
Amgen Virgin Islands	10.12	+
Amgen Cayman Islands	10.12	+
Amgen Bermuda	10.12	+
Amgen Anguilla	10.12	+
Amgen Antigua	10.12	+
Amgen Barbados	10.12	+
Amgen Belize	10.12	+
Amgen Bonaire	10.12	+
Amgen British Virgin Islands	10.12	+
Amgen Brunei	10.12	+
Amgen Cambodia	10.12	+
Amgen Cameroon	10.12	+
Amgen Canada	10.12	+
Amgen Cape Verde	10.12	+
Amgen Central African Republic	10.12	+
Amgen Chad	10.12	+
Amgen Comoros	10.12	+
Amgen Congo	10.12	+
Amgen Congo (Kinshasa)	10.12	+
Amgen Costa Rica	10.12	+
Amgen Cote d'Ivoire	10.12	+
Amgen Czech Republic	10.12	+
Amgen Denmark	10.12	+
Amgen Djibouti	10.12	+
Amgen Dominica	10.12	+
Amgen Dominican Republic	10.12	+
Amgen Ecuador	10.12	+
Amgen Egypt	10.12	+
Amgen El Salvador	10.12	+
Amgen Equatorial Guinea	10.12	+
Amgen Ethiopia	10.12	+
Amgen Finland	10.12	+
Amgen France	10.12	+
Amgen Gabon	10.12	+
Amgen Gambia	10.12	+
Amgen Germany	10.12	+
Amgen Ghana	10.12	+
Amgen Greece	10.12	+
Amgen Guatemala	10.12	+
Amgen Guinea	10.12	+
Amgen Guinea-Bissau	10.12	+
Amgen Haiti	10.12	+
Amgen Honduras	10.12	+
Amgen Hungary	10.12	+
Amgen Iceland	10.12	+
Amgen India	10.12	+
Amgen Indonesia	10.12	+
Amgen Iran	10.12	+
Amgen Iraq	10.12	+
Amgen Israel	10.12	+
Amgen Italy	10.12	+
Amgen Jamaica	10.12	+
Amgen Japan	10.12	+
Amgen Jordan	10.12	+
Amgen Kazakhstan	10.12	+
Amgen Kenya	10.12	+
Amgen Korea	10.12	+
Amgen Kuwait	10.12	+
Amgen Kyrgyzstan	10.12	+
Amgen Laos	10.12	+
Amgen Latvia	10.12	+
Amgen Lebanon	10.12	+
Amgen Liberia	10.12	+
Amgen Lithuania	10.12	+
Amgen Luxembourg	10.12	+
Amgen Madagascar	10.12	+
Amgen Malawi	10.12	+
Amgen Malaysia	10.12	+
Amgen Maldives	10.12	+
Amgen Mali	10.12	+
Amgen Malta	10.12	+
Amgen Mauritania	10.12	+
Amgen Mauritius	10.12	+
Amgen Mexico	10.12	+
Amgen Moldova	10.12	+
Amgen Monaco	10.12	+
Amgen Mongolia	10.12	+
Amgen Montenegro	10.12	+
Amgen Morocco	10.12	+
Amgen Mozambique	10.12	+
Amgen Myanmar	10.12	+
Amgen Namibia	10.12	+
Amgen Nepal	10.12	+
Amgen Netherlands	10.12	+
Amgen New Zealand	10.12	+
Amgen Nicaragua	10.12	+
Amgen Niger	10.12	+
Amgen Nigeria	10.12	+
Amgen Norway	10.12	+
Amgen Oman	10.12	+
Amgen Pakistan	10.12	+
Amgen Panama	10.12	+
Amgen Papua New Guinea	10.12	+
Amgen Paraguay	10.12	+
Amgen Peru	10.12	+
Amgen Philippines	10.12	+
Amgen Poland	10.12	+
Amgen Portugal	10.12	+
Amgen Romania	10.12	+
Amgen Russia	10.12	+
Amgen Rwanda	10.12	+
Amgen Saudi Arabia	10.12	+
Amgen Senegal	10.12	+
Amgen Serbia	10.12	+
Amgen Sierra Leone	10.12	+
Amgen Singapore	10.12	+
Amgen Slovakia	10.12	+
Amgen Slovenia	10.12	+
Amgen South Africa	10.12	+
Amgen South Korea	10.12	+
Amgen Spain	10.12	+
Amgen Sri Lanka	10.12	+
Amgen Sudan	10.12	+
Amgen Sweden	10.12	+
Amgen Switzerland	10.12	+
Amgen Taiwan	10.12	+
Amgen Tanzania	10.12	+
Amgen Thailand	10.12	+
Amgen Togo	10.12	+
Amgen Tonga	10.12	+
Amgen Trinidad and Tobago	10.12	+
Amgen Tunisia	10.12	+
Amgen Turkey	10.12	+
Amgen Uganda	10.12	+
Amgen Ukraine	10.12	+
Amgen United Arab Emirates	10.12	+
Amgen United Kingdom	10.12	+
Amgen United States	10.12	+
Amgen Uruguay	10.12	+
Amgen Uzbekistan	10.12	+
Amgen Venezuela	10.12	+
Amgen Vietnam	10.12	+
Amgen Wales	10.12	+
Amgen West Bank	10.12	+
Amgen Yemen	10.12	+
Amgen Zambia	10.12	+
Amgen Zimbabwe	10.12	+

BUILDING MATERIALS - Cont.

Company	Price	% Chg
Amgen Inc	10.12	+
Amgen Corp	10.12	+
Amgen Ltd	10.12	+
Amgen PLC	10.12	+
Amgen USA	10.12	+
Amgen UK	10.12	+
Amgen France	10.12	+
Amgen Germany	10.12	+
Amgen Italy	10.12	+
Amgen Spain	10.12	+
Amgen Japan	10.12	+
Amgen Korea	10.12	+
Amgen India	10.12	+
Amgen China	10.12	+
Amgen Australia	10.12	+
Amgen New Zealand	10.12	+
Amgen South Africa	10.12	+
Amgen Canada	10.12	+
Amgen Mexico	10.12	+
Amgen Brazil	10.12	+
Amgen Argentina	10.12	+
Amgen Chile	10.12	+
Amgen Peru	10.12	+
Amgen Colombia	10.12	+
Amgen Venezuela	10.12	+
Amgen Ecuador	10.12	+
Amgen Bolivia	10.12	+
Amgen Paraguay	10.12	+
Amgen Uruguay	10.12	+
Amgen Cuba	10.12	+
Amgen Haiti	10.12	+
Amgen Dominican Republic	10.12	+
Amgen Puerto Rico	10.12	+
Amgen Virgin Islands	10.12	+
Amgen Cayman Islands	10.12	+
Amgen Bermuda	10.12	+
Amgen Anguilla	10.12	+
Amgen Antigua	10.12	+
Amgen Barbados	10.12	+
Amgen Belize	10.12	+
Amgen Bonaire	10.12	+
Amgen British Virgin Islands	10.12	+
Amgen Brunei	10.12	+
Amgen Cambodia	10.12	+
Amgen Cameroon	10.12	+
Amgen Canada	10.12	+
Amgen Cape Verde	10.12	+
Amgen Central African Republic	10.12	+
Amgen Chad	10.12	+
Amgen Comoros	10.12	+
Amgen Congo	10.12	+
Amgen Congo (Kinshasa)	10.12	+
Amgen Costa Rica	10.12	+
Amgen Cote d'Ivoire	10.12	+
Amgen Czech Republic	10.12	+
Amgen Denmark	10.12	+
Amgen Djibouti	10.12	+
Amgen Dominica	10.12	+
Amgen Dominican Republic	10.12	+
Amgen Ecuador	10.12	+
Amgen Egypt	10.12	+
Amgen El Salvador	10.12	+
Amgen Equatorial Guinea	10.12	+
Amgen Ethiopia	10.12	+
Amgen Finland	10.12	+
Amgen France	10.12	+
Amgen Gabon	10.12	+
Amgen Gambia	10.12	+
Amgen Germany	10.12	+
Amgen Ghana	10.12	+
Amgen Greece	10.12	+
Amgen Guatemala	10.12	+
Amgen Guinea	10.12	+
Amgen Guinea-Bissau	10.12	+
Amgen Haiti	10.12	+
Amgen Honduras	10.12	+
Amgen Hungary	10.12	+
Amgen Iceland	10.12	+
Amgen India	10.12	+
Amgen Indonesia	10.12	+
Amgen Iran	10.12	+
Amgen Iraq	10.12	+
Amgen Israel	10.12	+
Amgen Italy	10.12	+
Amgen Jamaica	10.12	+
Amgen Japan	10.12	+
Amgen Jordan	10.12	+
Amgen Kazakhstan	10.12	+
Amgen Kenya	10.12	+
Amgen Korea	10.12	+
Amgen Kuwait	10.12	+
Amgen Kyrgyzstan	10.12	+
Amgen Laos	10.12	+
Amgen Latvia	10.12	+
Amgen Lebanon	10.12	+
Amgen Liberia	10.12	+
Amgen Lithuania	10.12	+
Amgen Luxembourg	10.12	+
Amgen Madagascar	10.12	+
Amgen Malawi	10.12	+
Amgen Malaysia	10.12	+
Amgen Maldives	10.12	+
Amgen Mali	10.12	+
Amgen Malta	10.12	+
Amgen Mauritania	10.12	+
Amgen Mauritius	10.12	+
Amgen Mexico	10.12	+
Amgen Moldova	10.12	+
Amgen Monaco	10.12	+
Amgen Mongolia	10.12	+
Amgen Montenegro	10.12	+
Amgen Morocco	10.12	+
Amgen Mozambique	10.12	+
Amgen Myanmar	10.12	+
Amgen Namibia	10.12	+
Amgen Nepal	10.12	+
Amgen Netherlands	10.12	+
Amgen New Zealand	10.12	+
Amgen Nicaragua	10.12	+
Amgen Niger	10.12	+
Amgen Nigeria	10.12	+
Amgen Norway	10.12	+
Amgen Oman	10.12	+
Amgen Pakistan	10.12	+
Amgen Panama	10.12	+
Amgen Papua New Guinea	10.12	+
Amgen Paraguay	10.12	+
Amgen Peru	10.12	+
Amgen Philippines	10.12	+
Amgen Poland	10.12	+
Amgen Portugal	10.12	+
Amgen Romania	10.12	+
Amgen Russia	10.12	+
Amgen Rwanda	10.12	+
Amgen Saudi Arabia	10.12	+
Amgen Senegal	10.12	+
Amgen Serbia	10.12	+
Amgen Sierra Leone	10.12	+
Amgen Singapore	10.12	+
Amgen Slovakia	10.12	+
Amgen Slovenia	10.12	+
Amgen South Africa	10.12	+
Amgen South Korea	10.12	+
Amgen Spain	10.12	+
Amgen Sri Lanka	10.12	+
Amgen Sudan	10.12	+
Amgen Sweden	10.12	+
Amgen Switzerland	10.12	+
Amgen Taiwan	10.12	+
Amgen Tanzania	10.12	+
Amgen Thailand	10.12	+
Amgen Togo	10.12	+
Amgen Tonga	10.12	+
Amgen Trinidad and Tobago	10.12	+
Amgen Tunisia	10.12	+
Amgen Turkey	10.12	+
Amgen Uganda	10.12	+
Amgen Ukraine	10.12	+
Amgen United Arab Emirates	10.12	+
Amgen United Kingdom	10.12	+
Amgen United States	10.12	+
Amgen Uruguay	10.12	+
Amgen Uzbekistan	10.12	+
Amgen Venezuela	10.12	+
Amgen Vietnam	10.12	+
Amgen Wales	10.12	+
Amgen West Bank	10.12	+
Amgen Yemen	10.12	+
Amgen Zambia	10.12	+
Amgen Zimbabwe	10.12	+

ELECTRICALS

Company	Price	% Chg
Amgen Inc	10.12	+
Amgen Corp	10.12	+
Amgen Ltd	10.12	+
Amgen PLC	10.12	+
Amgen USA	10.12	+
Amgen UK	10.12	+
Amgen France	10.12	+
Amgen Germany	10.12	+
Amgen Italy	10.12	+
Amgen Spain	10.12	+
Amgen Japan	10.12	+
Amgen Korea	10.12	+
Amgen India	10.12	+
Amgen China	10.12	+
Amgen Australia	10.12	+
Amgen New Zealand	10.12	+
Amgen South Africa	10.12	+
Amgen Canada	10.12	+
Amgen Mexico	10.12	+
Amgen Brazil	10.12	+
Amgen Argentina	10.12	+
Amgen Chile	10.12	+
Amgen Peru	10.12	+
Amgen Colombia	10.12	+
Amgen Venezuela	10.12	+
Amgen Ecuador	10.12	+
Amgen Bolivia	10.12	+
Amgen Paraguay	10.12	+
Amgen Uruguay	10.12	+
Amgen Cuba	10.12	+
Amgen Haiti	10.12	+
Amgen Dominican Republic	10.12	+
Amgen Puerto Rico	10.12	+
Amgen Virgin Islands	10.12	+
Amgen Cayman Islands	10.12	+
Amgen Bermuda	10.12	+
Amgen Anguilla	10.12	+
Amgen Antigua	10.12	+
Amgen Barbados	10.12	+
Amgen Belize	10.12	+
Amgen Bonaire	10.12	+
Amgen British Virgin Islands	10.12	+
Amgen Brunei	10.12	+
Amgen Cambodia	10.12	+
Amgen Cameroon	10.12	+
Amgen Canada	10.12	+
Amgen Cape Verde	10.12	+
Amgen Central African Republic	10.12	+
Amgen Chad	10.12	+
Amgen Comoros	10.12	+
Amgen Congo	10.12	+
Amgen Congo (Kinshasa)	10.12	+
Amgen Costa Rica	10.12	+
Amgen Cote d'Ivoire	10.12	+
Amgen Czech Republic	10.12	+
Amgen Denmark	10.12	+
Amgen Djibouti	10.12	+
Amgen Dominica	10.12	+
Amgen Dominican Republic	10.12	+
Amgen Ecuador	10.12	+
Amgen Egypt	10.12	+
Amgen El Salvador	10.12	+
Amgen Equatorial Guinea	10.12	+
Amgen Ethiopia	10.12	+
Amgen Finland	10.12	+

INVESTMENT TRUSTS - Cont.

Trust Name	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594
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**AUTHORISED
UNIT TRUSTS**[illegible]

High End Dist	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
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[illegible]

14-22 Western Rd. Bedford Park, IL 60628		8728 Talcott Ave. Chicago, IL 60643	
01	78.00	01	78.00
02	78.00	02	78.00
03	78.00	03	78.00
04	78.00	04	78.00
05	78.00	05	78.00
06	78.00	06	78.00
07	78.00	07	78.00
08	78.00	08	78.00
09	78.00	09	78.00
10	78.00	10	78.00
11	78.00	11	78.00
12	78.00	12	78.00
13	78.00	13	78.00
14	78.00	14	78.00
15	78.00	15	78.00
16	78.00	16	78.00
17	78.00	17	78.00
18	78.00	18	78.00
19	78.00	19	78.00
20	78.00	20	78.00
21	78.00	21	78.00
22	78.00	22	78.00
23	78.00	23	78.00
24	78.00	24	78.00
25	78.00	25	78.00
26	78.00	26	78.00
27	78.00	27	78.00
28	78.00	28	78.00
29	78.00	29	78.00
30	78.00	30	78.00
31	78.00	31	78.00
32	78.00	32	78.00
33	78.00	33	78.00
34	78.00	34	78.00
35	78.00	35	78.00
36	78.00	36	78.00
37	78.00	37	78.00
38	78.00	38	78.00
39	78.00	39	78.00
40	78.00	40	78.00
41	78.00	41	78.00
42	78.00	42	78.00
43	78.00	43	78.00
44	78.00	44	78.00
45	78.00	45	78.00
46	78.00	46	78.00
47	78.00	47	78.00
48	78.00	48	78.00
49	78.00	49	78.00
50	78.00	50	78.00
51	78.00	51	78.00
52	78.00	52	78.00
53	78.00	53	78.00
54	78.00	54	78.00
55	78.00	55	78.00
56	78.00	56	78.00
57	78.00	57	78.00
58	78.00	58	78.00
59	78.00	59	78.00
60	78.00	60	78.00
61	78.00	61	78.00
62	78.00	62	78.00
63	78.00	63	78.00
64	78.00	64	78.00
65	78.00	65	78.00
66	78.00	66	78.00
67	78.00	67	78.00
68	78.00	68	78.00
69	78.00	69	78.00
70	78.00	70	78.00
71	78.00	71	78.00
72	78.00	72	78.00
73	78.00	73	78.00
74	78.00	74	78.00
75	78.00	75	78.00
76	78.00	76	78.00
77	78.00	77	78.00
78	78.00	78	78.00
79	78.00	79	78.00
80	78.00	80	78.00
81	78.00	81	78.00
82	78.00	82	78.00
83	78.00	83	78.00
84	78.00	84	78.00
85	78.00	85	78.00
86	78.00	86	78.00
87	78.00	87	78.00
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89	78.00	89	78.00
90	78.00	90	78.00
91	78.00	91	78.00
92	78.00	92	78.00
93	78.00	93	78.00
94	78.00	94	78.00
95	78.00	95	78.00
96	78.00	96	78.00
97	78.00	97	78.00
98	78.00	98	78.00
99	78.00	99	78.00
100	78.00	100	78.00

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1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385
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Yard Grant	Bid Price	High Price	Low Price	Yard Grant
Legal & General - Contd.				
Export Int'l. Int'l.	215.5	226.9	42.7	

- Do Accoun. Int.	321.8	338.8	+4.1
- Do Foreign Mngd Int. ...	666.4	701.5	+6.3
- Do Accoun.	1109.1	1167.5	+10.6
- Foreign M. Amer. Int.	223.9	235.7	+3.2
- Do Accoun.	286.6	301.7	+4.2
- Foreign Prop. Int.	273.7	286.2	+0.2
- Do Accoun.	495.6	479.6	+0.3

-	So Deposit Init.	230.8	243.0	
-	Do Accum	340.9	358.9	+0.1
-	Index Fund Init.	118.3	124.6	+1.2
-	Do Accum	144.1	151.7	+1.4
-	Aggressive Growth Init.	151.1	159.1	+1.4
-	Do Accum.	174.1	183.3	+1.6

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Schlesinger boosts dollar

THE DOLLAR rose by more than 1% against the D-Mark yesterday after comments from the Bundesbank President suggested that an easing in German monetary policy might come sooner than expected, writes James Blitz.

In a newspaper interview, Mr. Helmut Schlesinger said that it was possible for long-term interest rates to decline to below 6 per cent, and that inflation might be down to 3 per cent by next year.

Dealers interpreted these comments as a totally unexpected piece of Christmas cheer from the otherwise rather conservative Mr. Schlesinger. The dollar rose on the back of the news, to close at DM1.5685 from a previous close of DM1.5680.

In very thin trading, the French franc also made progress against the German currency for the first time in a week, momentarily rising above FF3.41 to the D-Mark, before settling back to a close of FF3.4110, more than half a centime up on the day.

Although the D-Mark was weaker against most currencies, a significant loser in yesterday's events was sterling. The pound lost more than 2% against the stronger dol-

lar, closing at \$1.5390 from a previous close of \$1.5645.

Dealers said that although Mr. Schlesinger's comments had triggered thoughts of a possible cut in German interest rates, they were hedging themselves by selling sterling for dollars rather than the D-Mark. However, sterling was weak enough to lose against the D-Mark as well, falling 1 pence to close at D12.4455.

Several analysts confessed that it was hard to see any new information contained in Mr. Schlesinger's interview. Nobody in the markets doubts that interest rates will come down next year. And, although German inflation may rise a few more points, the forecast of 3 per cent inflation by the end of next year is not unusual, bearing in mind the German recession.

However, Mr. Steve Hannah, head of research at IBI International in London, said that the D-Mark's weakness was

due to a creeping feeling in the market that governments can cut interest rates with impunity, without following what the Bundesbank is doing.

Italy, for example, yesterday cut its discount rate by 1 per cent from 12 per cent. But the lira actually gained strength against the D-Mark closing at L896.4.

In recent days, the Canadian authorities have cut their key interest rates by 150 basis points, but the Canadian dollar has had to sell its currency in markets.

Enthusiasts for lower interest rates in Germany were also cheered yesterday by the news of a full one percentage point fall in Germany's M3 money growth in November. Economists said that the dip reflected the unwinding of September's currency intervention by the Bundesbank.

EMS EUROPEAN CURRENCY UNIT RATES

Currency	Unit	Rate	% Change
Belgium	100	1.36	-0.1
France	100	1.36	-0.1
Germany	100	1.36	-0.1
Italy	100	1.36	-0.1
Netherlands	100	1.36	-0.1
Spain	100	1.36	-0.1
UK	100	1.36	-0.1
US	100	1.36	-0.1

£ IN NEW YORK

Dec 22	Latest	Previous
1 month	1.5390	1.5645
3 months	1.5390	1.5645
6 months	1.5390	1.5645
12 months	1.5390	1.5645

Forward premiums and discounts apply to the US dollar

STERLING INDEX

Dec 22	Latest	Previous
8.30 am	80.1	80.3
9.00 am	80.1	80.3
10.00 am	80.1	80.3
11.00 am	80.1	80.3
12.00 pm	80.1	80.3
1.00 pm	80.1	80.3
2.00 pm	80.1	80.3
3.00 pm	80.1	80.3
4.00 pm	80.1	80.3

CURRENCY RATES

Currency	Rate	% Change
Australian \$	0.75	-0.1
Canadian \$	0.75	-0.1
French F	1.36	-0.1
German M	1.36	-0.1
Italian L	1.36	-0.1
Japanese Y	1.36	-0.1
Netherlands G	1.36	-0.1
Spanish P	1.36	-0.1
Swedish K	1.36	-0.1
Swiss F	1.36	-0.1
UK £	1.36	-0.1
US \$	1.36	-0.1

CURRENCY MOVEMENTS

Currency	Change
Australian \$	-0.1
Canadian \$	-0.1
French F	-0.1
German M	-0.1
Italian L	-0.1
Japanese Y	-0.1
Netherlands G	-0.1
Spanish P	-0.1
Swedish K	-0.1
Swiss F	-0.1
UK £	-0.1
US \$	-0.1

OTHER CURRENCIES

Currency	Rate	% Change
Argentine P	1.36	-0.1
Brazil R	1.36	-0.1
Colombian P	1.36	-0.1
Costa Rican C	1.36	-0.1
Czech K	1.36	-0.1
Danish K	1.36	-0.1
East German M	1.36	-0.1
HK \$	1.36	-0.1
Indian R	1.36	-0.1
Israeli N	1.36	-0.1
Malaysian M	1.36	-0.1
Mexican P	1.36	-0.1
New Zealand \$	1.36	-0.1
Norwegian K	1.36	-0.1
Philippine P	1.36	-0.1
Portuguese E	1.36	-0.1
Romanian L	1.36	-0.1
Singapore S	1.36	-0.1
South African R	1.36	-0.1
South Korean W	1.36	-0.1
Thai B	1.36	-0.1
Turkish L	1.36	-0.1
US \$	1.36	-0.1

*Forward rates from official rate DM1.5685

MONEY MARKETS

Boost for futures

FRENCH AND GERMAN money markets rallied strongly yesterday after the Bundesbank President said that long term interest rates in Germany could decline below 6 per cent during the current phase of falling rates, writes James Blitz.

The reaction to Mr. Helmut Schlesinger's comment in a newspaper interview was far more muted in the sterling market, because of the pound's disconnection from the European exchange rate mechanism.

UK clearing bank base lending rate 7 per cent

November 13, 1992

However, at least one commercial bank dealer said that the French and German markets' reaction to Mr. Schlesinger's comments yesterday was significant, and that there were growing hopes of a cut in official German rates at the first Bundesbank council meeting of the New Year.

"It's the first time anyone can remember Mr. Schlesinger saying something bullish about interest rate cuts," he said.

In an interview with the Westdeutsche Allgemeine Zeitung yesterday, the Bundesbank President said that he was confident Germany's inflation rate could

near 3 per cent in 1993 from an average of around 4 per cent in 1992. However, it was unclear from the interview which long-term interest rates Mr. Schlesinger felt could be reduced.

However, the comments triggered "a rash of bullish feeling" in French and German markets, according to one dealer. Euro-mark futures rallied sharply, with the March contract rising 12 basis points to close at 92.19. German cash rates were generally easier, with 3 month money in the Euro-mark trading at around 8.87 per cent offered from around 9.25 per cent as recently as last Thursday.

French futures also rose sharply on Germany's comments, with the March contract rising 12 basis points to close at 90.84 and the June contract up 9 basis points to close at 91.77. The cash market, centre-stage in the battle of the franc, was more resistant to change: 3-month money was as high as 12 1/2 per cent yesterday.

The sterling markets were quieter. The Bank of England forecast a large shortage of £1.8bn at the start of the day, but trading was difficult and there was late assistance of £475m. Cash rates were generally unchanged, with 3 month money closing again at 7 1/2 per cent.

FINANCIAL FUTURES AND OPTIONS

Contract	Price	% Change
3-month Euro	1.36	-0.1
6-month Euro	1.36	-0.1
12-month Euro	1.36	-0.1
3-month US	1.36	-0.1
6-month US	1.36	-0.1
12-month US	1.36	-0.1

Contract	Price	% Change
3-month UK	1.36	-0.1
6-month UK	1.36	-0.1
12-month UK	1.36	-0.1
3-month JPY	1.36	-0.1
6-month JPY	1.36	-0.1
12-month JPY	1.36	-0.1

Contract	Price	% Change
3-month CHF	1.36	-0.1
6-month CHF	1.36	-0.1
12-month CHF	1.36	-0.1
3-month AUD	1.36	-0.1
6-month AUD	1.36	-0.1
12-month AUD	1.36	-0.1

Contract	Price	% Change
3-month NZD	1.36	-0.1
6-month NZD	1.36	-0.1
12-month NZD	1.36	-0.1
3-month HKD	1.36	-0.1
6-month HKD	1.36	-0.1
12-month HKD	1.36	-0.1

Contract	Price	% Change
3-month SGD	1.36	-0.1
6-month SGD	1.36	-0.1
12-month SGD	1.36	-0.1
3-month TWD	1.36	-0.1
6-month TWD	1.36	-0.1
12-month TWD	1.36	-0.1

Contract	Price	% Change
3-month THB	1.36	-0.1
6-month THB	1.36	-0.1
12-month THB	1.36	-0.1
3-month MYR	1.36	-0.1
6-month MYR	1.36	-0.1
12-month MYR	1.36	-0.1

Contract	Price	% Change
3-month PHP	1.36	-0.1
6-month PHP	1.36	-0.1
12-month PHP	1.36	-0.1
3-month IDR	1.36	-0.1
6-month IDR	1.36	-0.1
12-month IDR	1.36	-0.1

Contract	Price	% Change
3-month VND	1.36	-0.1
6-month VND	1.36	-0.1
12-month VND	1.36	-0.1
3-month KRW	1.36	-0.1
6-month KRW	1.36	-0.1
12-month KRW	1.36	-0.1

Contract	Price	% Change
3-month BRL	1.36	-0.1
6-month BRL	1.36	-0.1
12-month BRL	1.36	-0.1
3-month COP	1.36	-0.1
6-month COP	1.36	-0.1
12-month COP	1.36	-0.1

Contract	Price	% Change
3-month CLP	1.36	-0.1
6-month CLP	1.36	-0.1
12-month CLP	1.36	-0.1
3-month PEN	1.36	-0.1
6-month PEN	1.36	-0.1
12-month PEN	1.36	-0.1

Contract	Price	% Change
3-month UYU	1.36	-0.1
6-month UYU	1.36	-0.1
12-month UYU	1.36	-0.1
3-month ARS	1.36	-0.1
6-month ARS	1.36	-0.1
12-month ARS	1.36	-0.1

Contract	Price	% Change
3-month PYG	1.36	-0.1
6-month PYG	1.36	-0.1
12-month PYG	1.36	-0.1
3-month BOB	1.36	-0.1
6-month BOB	1.36	-0.1
12-month BOB	1.36	-0.1

LONDON (LIFFE)

Contract	Price	% Change
3-month Euro	1.36	-0.1
6-month Euro	1.36	-0.1
12-month Euro	1.36	-0.1
3-month US	1.36	-0.1
6-month US	1.36	-0.1
12-month US	1.36	-0.1

Contract	Price	% Change
3-month UK	1.36	-0.1
6-month UK	1.36	-0.1
12-month UK	1.36	-0.1
3-month JPY	1.36	-0.1
6-month JPY	1.36	-0.1
12-month JPY	1.36	-0.1

Contract	Price	% Change
3-month CHF	1.36	-0.1
6-month CHF	1.36	-0.1
12-month CHF	1.36	-0.1
3-month AUD	1.36	-0.1
6-month AUD	1.36	-0.1
12-month AUD	1.36	-0.1

Contract	Price	% Change
3-month NZD	1.36	-0.1
6-month NZD	1.36	-0.1
12-month NZD	1.36	-0.1
3-month HKD	1.36	-0.1
6-month HKD	1.36	-0.1
12-month HKD	1.36	-0.1

Contract	Price	% Change
3-month SGD	1.36	-0.1
6-month SGD	1.36	-0.1
12-month SGD	1.36	-0.1
3-month TWD	1.36	-0.1
6-month TWD	1.36	-0.1
12-month TWD	1.36	-0.1

Contract	Price	% Change
3-month THB	1.36	-0.1
6-month THB	1.36	-0.1
12-month THB	1.36	-0.1
3-month MYR	1.36	-0.1
6-month MYR	1.36	-0.1
12-month MYR	1.36	-0.1

Contract	Price	% Change
3-month PHP	1.36	-0.1
6-month PHP	1.36	-0.1
12-month PHP	1.36	-0.1
3-month IDR	1.36	-0.1
6-month IDR	1.36	-0.1
12-month IDR	1.36	-0.1

Contract	Price	% Change
3-month VND	1.36	-0.1
6-month VND	1.36	-0.1
12-month VND	1.36	-0.1
3-month KRW	1.36	-0.1
6-month KRW	1.36	-0.1
12-month KRW	1.36	-0.1

Contract	Price	% Change
3-month BRL	1.36	-0.1
6-month BRL	1.36	-0.1
12-month BRL	1.36	-0.1
3-month COP	1.36	-0.1
6-month COP	1.36	-0.1
12-month COP	1.36	-0.1

Contract	Price	% Change
3-month CLP	1.36	-0.1
6-month CLP	1.36	-0.1
12-month CLP	1.36	-0.1
3-month PEN	1.36	-0.1
6-month PEN	1.36	-0.1
12-month PEN	1.36	-0.1

Contract	Price	% Change
3-month UYU	1.36	-0.1
6-month UYU	1.36	-0.1
12-month UYU	1.36	-0.1
3-month ARS	1.36	-0.1
6-month ARS	1.36	-0.1
12-month ARS	1.36	-0.1

Contract	Price	% Change
3-month PYG	1.36	-0.1
6-month PYG	1.36	-0.1
12-month PYG	1.36	-0.1
3-month BOB	1.36	-0.1
6-month BOB	1.36	-0.1
12-month BOB	1.36	-0.1

Contract	Price	% Change
3-month CLP	1.36	-0.1
6-month CLP	1.36	-0.1
12-month CLP	1.36	-0.1
3-month PEN	1.36	-0.1
6-month PEN	1.36	-0.1
12-month PEN	1.36	-0.1

Contract	Price	% Change
3-month UYU	1.36	-0.1
6-month UYU	1.36	-0.1
12-month UYU	1.36	-0.1
3-month ARS	1.36	-0.1
6-month ARS	1.36	-0.1
12-month ARS	1.36	-0.1

Contract	Price	% Change
3-month PYG	1.36	-0.1
6-month PYG	1.36	-0.1
12-month PYG	1.36	-0.1
3-month BOB	1.36	-0.1
6-month BOB	1.36	-0.1
12-month BOB	1.36	-0.1

Contract	Price	% Change
3-month CLP	1.36	-0.1
6-month CLP	1.36	-0.1
12-month CLP	1.36	-0.1
3-month PEN	1.36	-0.1
6-month PEN	1.36	-0.1
12-month PEN	1.36	-0.1

Contract	Price	% Change
3-month UYU	1.36	-0.1
6-month UYU	1.36	-0.1
12-month UYU	1.36	-0.1
3-month ARS	1.36	-0.1
6-month ARS	1.36	-0.1

3 pm December 22

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued on next page

Continued on next page



3 pm December 21

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AMERICA

Dow gives up its early gains by mid-session

Wall Street

US MARKETS were unable to hold on to their early gains and by early afternoon leading indices were flat or lower in heavy trading, writes Patrick Harrington in New York.

By 1 pm the Dow Jones Industrial Average was down 4.32 at 3,308.14. The more broadly based Standard & Poor's 500 was also lower at the halfway stage, down 1.88 at 339.02, while the Amex composite was 0.8 firmer at 390.76 and the Nasdaq composite was down 2.08 at 660.39. Turnover on the NYSE was 133m shares by 1 pm, and declines outnumbered rises by 896 to 839.

Buyers moved into the market at the start in anticipation of a year-end rally, lifting the Dow by 16 points in the first 30 minutes. Early sentiment was also aided by gains in overseas markets, where prices in London, Frankfurt and Tokyo all finished higher, and from another strong rise in bond prices which pushed long-term interest rates lower.

The market, however, failed to maintain the upward momentum and soon after midday prices slipped into negative territory. Analysts offered no particular reason for the setback, although some said that the declines were due to investors selling stocks to realise their 1992 losses for tax purposes.

The day's only economic news - a downward revision in the third quarter gross domestic product figure from 3.9 per cent to 3.4 per cent - was generally ignored by investors.

Among individual stocks, airlines were active after British Airways pulled out its proposed \$750m investment in USAir because the US government was about to block the deal. The news left USAir's stock at \$11.30, a muted reaction since the market had already discounted the deal's

collapse. Other airlines were buoyed by the news, with Delta up \$1.40 at \$51.25, AMR \$2 higher at \$23.15.

Wal-Mart fell \$1.25 to \$63.15, in nervous trading ahead of a network television programme which was expected to be critical of the retailer's trading and import policies.

Unisys dropped \$1.25 to \$10.15 in turnover of 1.4m shares after the Wall Street investment bank Lehman Brothers cut its rating on the stock from "buy" to "outperform".

IBM rebounded from recent losses, although the stock remained near its 10-year low. By early afternoon, IBM was up \$1.15 at \$50.

On the Nasdaq market, Heart Technology climbed \$1.25 to \$16 after winning approval from the Food and Drug Administration to restart commercial distribution of its Rotablator system used to treat atherosclerosis in leg arteries.

HomeStyle Buffet dropped \$1.25 to \$2.15, after warning that it would post a "substantial" loss in the fourth quarter.

Canada

TORONTO lost some of its early gains by mid-session after climbing on another round of prime lending rate cuts. The TSE-300 index was up 6.9 to 3,317.3 in volume of 22.6m shares valued at C\$203m. Declining shares led advances 228 to 221 with 304 unchanged.

A fall in the bullion price sent gold shares lower, led by Placer Dome, down C\$1.25 to C\$41.25, and American Barrick C\$1.25 lower at C\$37.75.

SOUTH AFRICA
GAINS in leading industrial and financial shares lifted the all-share index by 5 to 3,333. The industrial index rose 11 to 4,303, but gold shares were weaker on the back of the unexciting bullion price and the index lost 14 to 822.

Colombian equities look ahead to a better year

The stock market has been held back in 1992 by economic and political difficulties, says Sarita Kendall

For Colombia, 1992 has been a very difficult year as severe power rationing, low coffee prices and guerrilla attacks on the oil and mining industries took their toll on the economy.

This has been reflected in the stock market, which has risen more modestly this year. According to the IFC, part of the World Bank, Colombia rose by 32 per cent in dollar terms from the start of 1992 to the end of November, well below the surge of 173.5 per cent achieved in 1991.

A fall in interest rates in the first half of this year led many investors to transfer some of their holdings out of fixed-interest instruments and into equities. But a sudden increase in interest rates in August and September reversed this trend.

Nevertheless, the outlook for the stock market is improving: government and independent sources have forecast an economic growth rate for 1993 of more than 4 per cent, compared with government estimates of above 2 per cent for 1992. Businessmen and brokers endorse the govern-

ment's economic optimism. Imports have begun to rise, and will probably continue to do so as industrialists take advantage of lower tariffs, while a higher devaluation rate will boost exports. Colombia has an annual devaluation rate of about 16 per cent and inflation is running at 24 per cent.

Foreign funds - 20 have now been approved - were particularly active during the first half, but mounting political and economic problems dampened foreign interest in recent months. The escape from jail of the drug trafficker Pablo Escobar and a surge in guerrilla violence (with the economy as the main target) have undermined the government's prestige.

"These problems have an impact on the foreign investor. The country risk is more important than the company risk," says Mr Paul Weiss of the stockbroker firm Corredores Asociados. "But next year the 12 per cent profit remittance tax will fall to zero and this will encourage foreign investors."

The high incidence of kid-

nappings and extortion also affects the willingness of local companies to expose themselves: once a company is listed on the market, guerrillas and criminals can find out how much the business and its owners are worth.

Nevertheless, several new companies have issued shares this year, including Fibratoil, a textile manufacturing firm, and Colson, a hospital. Fewer than 180 companies are listed in the stock market and only about a tenth of them are actively traded. Some are only there for tax purposes, says Mr Weiss, not for trading, and he expects a reshuffle next year as such companies drop out and new ones come in, offering real alternatives for the investor.

The government's privatisation programme is moving more slowly than expected, although the industrial development institute is selling off its holdings in a number of small companies. It is not clear whether the government has enough support to brave the trade unions and private the bigger companies that should

IFC EMERGING MARKETS PRICE INDICES						
Market	No. of stocks	Dollar terms		Local currency terms		
		Nov 30 1992	% Change over month	Nov 30 1992	% Change over month	
Latin America	(20)	778.59	-7.5	42,846,275	-7.3	-39.7
Argentina	(67)	90.27	-12.4	274,827,853	+8.5	885.3
Brazil	(35)	1,684.91	-8.5	4,961.85	-8.6	-11.1
Chile	(20)	1,063.86	-4.5	7,482.33	-3.5	-50.0
Colombia	(58)	1,639.48	+8.1	26,385.34	-5.7	+14.0
Venezuela	(16)	373.16	-10.6	3,847.85	-8.4	-26.8
East Asia	(77)	286.67	+9.7	272.35	+10.1	-3.8
South Korea	(70)	1,758.77	-8.5	2,207.37	-5.5	-16.0
Philippines	(30)	480.46	+1.4	314.02	+2.8	-72.9
Taiwan, China	(80)	316.53	-9.8	716.81	-5.6	-25.6
India	(50)	59.32	-8.3	68.00	-7.4	-10.5
Indonesia*	(52)	186.99	+0.9	185.37	+1.9	-21.2
Malaysia	(54)	235.15	-7.9	339.32	-6.4	-23.8
Pakistan	(43)	397.90	-5.9	373.90	-6.2	+27.8
Thailand	(32)	271.40	+2.2	438.95	-6.0	-22.3
Euro/Mid East	(25)	109.72	+4.6	196.79	+5.6	-14.7
Greece	(30)	351.88	-4.9	307.61	-1.5	-16.7
Portugal	(25)	35.07	-2.2	372.10	+4.0	-34.0
Turkey†	(25)					

Source: International Finance Corporation. Base date: Dec 1984 = 100. *Dec 1989 = 100. †Jan 1990 = 100. ‡Dec 1985 = 100.

attract foreign investors.

The stock exchange authorities are enthusiastic about new plans and regulations, which will create confidence in the market and encourage expansion.

Pension funds will probably start operating next year and different forms of risk coverage are being studied. Controls on the origin of money are also being applied more rig-

idly by banks and financial institutions to prevent money-laundering. Small investors are showing more interest in shares now that mutual funds are beginning to operate.

EUROPE

Continental bourses continue their year-end rally

CONTINENTAL bourses continued their Christmas rally yesterday, writes Our Markets Staff.

FRANKFURT remained positive as some disappointing economic news was largely ignored. Remarks by Mr Helmut Schlesinger, the Bundesbank president, forecasting a fall in long-term interest rates caused bonds and futures to rally but had little effect on equities, as he reaffirmed that there would be no change in short-term rates.

The DAX index closed up 7.99 at 1,539.87, off the day's high of 1,539.83. Turnover was barely changed at DM46n after DM3.9bn. Volkswagen declined DM7.10 to DM237.30, partly as investors continued to sell following recent gloomy forecasts from the company but also because the German Automobile Association reported stagnating domestic demand and reduced orders from overseas.

Retailers continued to be firm on a report that Christmas period turnover could beat expectations. Asko firm DM20 to DM665, Karstadt was up DM4 to DM488 and Kaufhof improved DM5 to DM400.

Utilities rose on news that a legal dispute between east German municipalities and power groups had been settled. RWE gained DM4.50 to DM389.80 and Vag rose DM7 to DM329.50. PARIS was lifted by a strong bond market and signs that pressure on the franc was easing, but some dealers feared that the stock market had risen too far, too fast. The CAC-40 index ended 38.08 higher at 1,824.37 in heavy turnover of FF3.6bn.

Most blue chips participated in the rally, with Alcatel rising

to sell a controlling stake in Stet. Stet was fixed L19 down at L1,760 but jumped to L1,842 after hours. Slip rose L101 to L1,486.

Credito Italiano gained L38 to L2,850. The prime minister, Mr Giuliano Amato, said yesterday that the state-owned Banca Commerciale Italiana (up L175 at L4,600) would be put up for sale once the government had dealt with the sale of Credito Italiano.

BRUSSELS built on Monday's gains with a 14.32 rise in the Bel-20 index to 1,141.56. Bekaert, which said after Monday's close that it was to pay a BFR100 1992 dividend rose BFR550 to BFR1,525.

AMSTERDAM rose in thin trading with the CBS Tendency index gaining 1.2 to 105.6. Ahold advanced F1.60 to F188.60 on news that it was to help set up the first food distri-

FT-SE Actuaries Share Indices

December 22		THE EUROPEAN SERIES					
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	Close
FT-SE Eurotrack 100	1088.55	1088.55	1088.78	1089.19	1072.30	1073.44	1072.92
FT-SE Eurotrack 200	1154.53	1153.02	1151.67	1154.00	1156.12	1155.77	1157.10
		Dec 21	Dec 18	Dec 17	Dec 16	Dec 15	
FT-SE Eurotrack 100	1089.21	1090.25	1084.41	1086.62	1088.14	1088.14	
FT-SE Eurotrack 200	1145.44	1136.56	1119.02	1117.67	1115.23	1115.23	

Base value 1000 (20/10/90). High/Low: 100 - 1074.73, 200 - 1157.17. London: 100 - 1088.38, 200 - 1151.87.

FFR12 to FFR679 and BSN up FFR24 to FFR598. Drinks stocks also found favour, as LVMH put on FF145 or 4.2 per cent to FF3,600 and Pernod-Ricard added FF16.50 or 4.8 per cent to FF360.

Hopes of lower interest rates again buoyed up financial stocks, as Suez gained FFR80 to FFR254.80 and Societe Generale added FFR16 to FFR597.

MILAN was lifted right at the end of a dull session by

news that the Bank of Italy had lowered its official discount rate by one point to 12 per cent. The Commit index ended 0.09 higher at 428.96 in turnover estimated at close to Monday's L134.5bn.

Insurers and telecoms featured for a second day as Ras added L1,030 to L19,530 and Generali rose L160 to L27,610. Stet and Sip were traded heavily on continued hopes that the government was will-

ing to sell a controlling stake in Stet. Stet was fixed L19 down at L1,760 but jumped to L1,842 after hours. Slip rose L101 to L1,486.

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bution system in Moscow.

STOCKHOLM turned lower as profit-taking emerged after a three-day rally and the Affarsvarlden general index eased 6.8 to 914.8. Astra again dominated trading, accounting for roughly SKr190m of total turnover of SKr910m. Its A shares fell SKr2 to SKr78.

HELSINKI rallied as the approaching year-end pushed up share prices and volumes. News that parliament had passed legislation dismantling restrictions on foreign ownership of shares from the start of 1993 also lifted sentiment. The Hex index rose 13.9 to 823.9.

VIENNA's ATX index gained 16.53 or 2.3 per cent to 739.43. ISTANBUL closed at a three-month high, as cement and textile stocks featured. The 75-share index gained 44.84 or 1.1 per cent to 4,075.60 in turnover estimated at TL370bn.

ASIA PACIFIC

Late buying by public funds lifts Nikkei

Tokyo

THE NIKKEI average closed marginally higher on late buying by public funds ahead of today's national holiday, writes Erika Terazono in Tokyo.

The 225-issue average gained 45.23 to end at the day's high of 17,690.87 on late afternoon buying, having fallen to the day's low of 17,563.59 during the first hour of trading on selling by tokkin, or specified money trusts.

Volume declined to 220m shares from 246m. Most dealers remained on the sidelines since they end trading for their December accounts on Friday. Overall declines, however, still led advances by 534 to 408, with 196 issues unchanged. The Topix index of all first section stocks rose 4.09 to 1,349.86, and in London the ISE/Nikkei 50 index edged up 0.68 to 1,102.55.

The Ministry of Finance announced plans for a new capitalisation weighted futures index to end criticism of the negative effects of futures and

options trading. The proposed weighted index will take into account the number of shares outstanding and is planned to replace the Nikkei 225 futures index, which is a simple price average of 225 stocks.

The announcement prompted little reaction from the futures market, but triggered some buying in stocks which are currently under-represented in the Nikkei 225. Electric power utilities gained ground along with banks and telecoms.

Tokyo Electric Power moved ahead Y90 to Y2,680. Mitsubishi Bank Y10 to Y2,430 and NTT Y10,000 to Y572,000.

Dainippon Ink and Chemicals put on Y5 at Y411 on reports of planned joint ventures in China. Suzuki Motor, also a China related stock, climbed Y15 to Y516. Trading of Jax, the import car dealer listed on the over-the-counter market, was once again suspended. Volkswagen announced in the morning that it would acquire a 49.9 per cent stake in Jax to boost its Japanese sales network.

Medical hygiene-related shares gained on the Finance Ministry's draft budget for fiscal 1993, which earmarked Y134m for prevention measures against a new virus contracted mainly in hospitals. Sanken, a steriliser maker, firmed Y5 to Y260 and Terumo, a leading manufacturer of disposable medical instruments, rose Y10 to Y375.

In Osaka, the OSSE average slipped 35.20 to 19,082.49 in volume of 37m shares. The index retreated for the first time in four trading days ahead of the national holiday.

Roundup

THE region's markets were mixed yesterday.

HONG KONG was lifted by foreign institutional buying and the Hang Seng index finished 35.26 ahead at 5,297.74 in low turnover of HK\$1.77bn.

Among the actives, HSBC Holdings appreciated 50 cents to HK\$53, while Cheung Kong gained 40 cents at HK\$17.90 and Jardine Matheson moved forward 50 cents to HK\$41.50.

Hong Kong Telecom firmed 20 cents to HK\$9.45.

SINGAPORE retreated on profit-taking in blue chips. The Straits Times Industrial index receded 22.35 to 1,489.16 in volume of 65.5m shares, against 112.9m on Monday.

SEOUL reversed early losses as investors concentrated on small and medium-sized companies. The composite index was finally 3.55 higher on balance at 657.01 in turnover of some Won40.7bn.

TAIWAN regained some of Monday's fall but sentiment remained nervous following the ruling Nationalist party's poor performance in parliamentary elections at the weekend. The weighted index improved 3.88 to 3,579.97 in low turnover of T\$8bn.

AUSTRALIA lost ground after its strong recent performance, the All Ordinaries index closing 7 down at 1,520.1 in turnover of A\$301.7m. BHP relinquished 8 cents to A\$13.08.

BANGKOK was subjected to profit-taking and the SET index shed 7.46 to 863.87 in turnover of B\$6.1bn.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		MONDAY DECEMBER 21 1992										FRIDAY DECEMBER 18 1992										DOLLAR INDEX		
Figures in parentheses show number of lines of stock		US Dollar Index	Day's Change %	Pound Sterling Index	100 Index	100 Index	100 Index	100 Index	100 Index	100 Index	100 Index	US Dollar Index	Day's Change %	Pound Sterling Index	100 Index	100 Index	100 Index	100 Index	100 Index	100 Index	100 Index	1992 High	1992 Low	Year ago (approx)
Australia (68)	125.05	+1.6	1.18	57.18	101.64	100.22	+1.6	4.04	123.03	116.51	95.89	100.14	118.37	153.88	108.18	143.45								
Austria (18)	136.63	+1.3	1.29	106.15	111.28	111.31	+1.2	2.19	134.91	127.76	105.15	109.80	118.70	134.91	108.46									
Belgium (42)	136.88	+0.4	1.29	106.15	111.28	111.31	+1.2	2.19	134.91	127.76	105.15	109.80	118.70	134.91	108.46									
Canada (113)	115.22	+0.1	1.09	109.19	89.35	92.92	+0.5	3.21	115.11	109.02	89.71	93.68	108.24	142.12	111.36	131.04								
Denmark (34)	194.04	-0.9	1.85	152.36	159.21	161.19	-1.0	1.99	197.81	187.34	154.18	161.00	162.84	273.94	181.70	266.06								
Finland (15)	69.82	-0.2	1.66	54.22	56.52	57.43	-1.7	1.81	71.26	67.48	55.54	58.00	76.71	89.80	52.84	74.18								
France (69)	148.59	+0.9	1.38	111.92	119.45	122.19	+1.1	3.66	145.28	137.89	113.23	118.24	121.81	168.75	136.93	140.43								
Germany (64)	105.45	+1.3	1.59	81.96	87.99	89.25	+1.4	2.64	104.14	98.48	81.18	84.76	84.76	129.89	102.51	115.00								
Hong Kong (53)	210.68	+0.5	2.52	204.94	213.33	223.47	+0.5	4.31	209.71	198.60	163.44	170.69	208.28	262.28	176.38	170.29								
Ireland (16)	140.68	-0.8	1.33	109.34	112.38	117.51	+0.8	4.98	141.84	134.33	110.55	115.44	118.57	173.71	122.98	163.09								
Italy (77)	54.60	+1.0	1.72	42.13	44.43	47.41	+1.2	3.62	54.04	51.16	42.12	43.98	56.71	60.86	47.47	72.48								
Japan (472)	108.94	+0.4	1.04	104.18	105.44	107.12	+0.5	0.99	109.45	103.65	85.30	89.09	85.30	140.85	87.27	128.09								
Malaysia (68)	298.28	+0.5	2.52	204.94	213.33	223.47	+0.5	4.31	209.71	198.60	163.44	170.69	208.28	262.28	176.38	170.29								
Mexico (16)	109.27	+0.6	1.54	78.99	120.01	131.33	+0.6	2.98	109.45	103.65	85.30	89.09	85.30	140.85	87.27	128.09								
Netherlands (25)	155.01	+0.1	1.45	89.10	100.47	101.25	+0.2	0.95	154.82	146.62	126.87	132.01	124.51	169.70	147.88	148.59								
New Zealand (13)	42.16	+1.2	3.96	32.15	33.22	33.46	+1.2	4.16	41.55	41.68	34.87	32.48	33.92	42.76	48.32	37.39	45.71							
Norway (13)	144.29	+0.5	1.54	109.19	109.19	111.28	+0.5	1.82	137.86	136.24	112.13	117.08	131.91	192.95	126.05	168.86								
Singapore (38)	214.69	+2.7	2.02	169.09	169.09	174.20	+2.7	4.25	214.69	214.69	169.09	169.09	169.09	214.69	214.69	169.09								
South Africa (68)	243.36	+1.6	1.36	173.12	113.11	113.11	+1.6	2.51	239.14	239.14	113.11	113.11	113.11	243.36	243.36	113.11								
Spain (68)	122.65	+1.2	1.16	25.45	30.00	30.00	+1.2	5.81	121.24	114.82	94.48	94.67	102.27	161.72	101.70	147.91								
Sweden (16)	170.80	+2.6	1.86	143.75	143.75	143.75	+2.6	2.24	166.12	155.35	126.50	135.23	100.11	122.37	95.38	97.27								
Switzerland (60)	112.45	+0.1	1.08	38.25	40.41	40.41	+0.1	1.21	114.53	108.46	89.27	90.62	102.75	124.70	103.00	148.69								
United Kingdom (226)	175.81	-0.6	1.66	130.62	131.13	130.62	-0.7	4.44	174.68	165.43	136.33	142.12	165.43	200.07	166.81	175.81								
USA (522)	179.80	-0.1	1.70	124.31	124.65	124.65	-0.1	2.94	180.06	170.52	143.15	146.56	180.06	180.06	160.92	161.94								
Europe (777)	138.26	+0.7	1.31	107.15	111.28	111.28	+0.7	3.84	137.26	129.99	106.98	111.72	121.82	158.88	131.31	141.17								
Europe Ex UK (551)	115.95	+0.8	1.09	89.35	92.92	92.92	+0.8	2.04	115.95	115.95	89.35	89.35	89.35	115.95	115.95	89.35								
Pacific Basin (713)	113.93	+0.5	1.07	87.99	90.25	90.25	+0.5	2.04	113.93	113.93	87.99	87.99	87.99	113.93	113.93	87.99								
Europe - Pacific (1450)	123.77	+0.6	1.17	29.36	100.99	100.99	+0.6	2.46	123.01	116.10	95.87	100.11	102.99	140.98	100.11	140.98								
North America (359)	175.88	+0.1	1.69	67.19	100.99	100.99	+0.1	2.86	176.04	166.71	137.22	143.30	175.06	176.04	158.70	159.70								
World Ex UK (551)	115.95	+0.8	1.09	89.35	92.92	92.92	+0.8	3.18	115.08	108.98	88.91	93.68	98.31	132.98	113.31	120.54								
World Ex UK (241)	115.95	+0.8	1.09	89.35	92.92	92.92	+0.8	2.04	115.95	115.95	89.35	89.35	89.35	115.95	115.95	89.35								
World Ex US (1681)	124.63	+0.6	1.18	10.10	101.64	101.64	+0.6	2.46	123.01	116.10	95.87	100.11	102.99	140.98	100.11	140.98								
World Ex UK (1977)	138.11	+0.2	1.31	108.13	111.28	111.28	+0.2	4.42	136.77	131.42	106.16	112.95	124.36	150.58	127.21	140.76								
World Ex So. Af. (2143)	142.40	+0.3	1.44	109.68	110.68	110.68	+0.2	2.63	141.97	134.45	110.66	115.54	127.70	183.05	120.04	143.15								
World Ex Japan (1731)	160.74	+0.2	1.52	124.34	131.65	131.65	+0.2	3.32	160.37	151.38	125.00	130.54	152.78	165.01	151.91	153.46								
The World Index (2203)	142.29	+0.3	1.34	110.55	116.10	128.31	+0.2	2.64	141.89	134.37	110.58	115.48	126.00	153.70	130.06	143.79								